Province of
British Columbia

report of the AUDITOR GENERAL

for the year ended
31 March 1983

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REPORT OF THE
AUDITOR GENERAL
FOR THE YEAR ENDED 31 MARCH 1983

OFFICE OF THE AUDITOR GENERAL

PROVINCE OF BRITISH COLUMBIA

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Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

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The Honourable Hugh A. Curtis
Minister of Finance
Province of British Columbia

Sir:

I have the honour to transmit herewith my Report to the Legislative Assembly for the fiscal year ended 31 March 1983 for submission to the Assembly in accordance with the provisions of Section 10(1) of the Auditor General Act, R.S.B.C. 1979, chapter 24.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
14 May 1984

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FOREWORD

This Annual Report to the Legislative Assembly is the first since my reappointment on 1 September 1983 to the position of Auditor General, and the sixth since my original appointment in 1977. I recognize the honour of the reappointment, the implied confidence in the progress and results achieved by the Office during the initial six year period, and the responsibilities entailed. And I assure the Assembly and the people of this Province of my continued efforts to carry out those responsibilities, both statutory and implicit, to provide assurance to the Assembly and the public and to promote improvement through the efforts of my Office in the activities falling within its mandate.

The main thrust of this Annual Report to the Legislative Assembly is in regard to matters arising from our audit of the Government accounts and our continuing reviews of financial management and control exercised by the Government.

It does not purport and is not intended to deal with individual transactions or with the many matters which arise and are dealt with in the various ministries of the Government and the public bodies of which I am the auditor. These are considered, discussed and referred for action to the officials concerned on an ongoing basis throughout the continuing audit cycle.

The size and scope of the audit activities conducted by my staff do not lend themselves to the inclusion in a general report of the day-to-day items of concern, recommendations and solutions of the problems which are encountered and dealt with routinely by my staff. I am encouraged by and appreciative of the response my Office has received to recommendations for correction and improvements by those officials concerned.

During the period since my last Report I have completed the audit examinations and rendered my opinions on the three main financial statements of the Government and on 31 public bodies, and have submitted three Special Reports to the Legislative Assembly. Approximately 50 detailed management reports are prepared annually, with the aim of delivering current comment and recommendations to the appropriate senior officials of the ministries and public bodies which I audit.

No reports are included this year for comprehensive or broad-scope audit activities due to the diversion of resources to special audit activities separately reported, and to the limitation of resources in a period of increasing demand. Projects deferred in this important area are now in progress or to be commenced shortly, subject to basic statutory obligations and available resources.

In view of the completion of my initial term of appointment since my last Annual Report was presented, it seems appropriate to recapitulate briefly some of the progress and events of significance in the short history of the Office.

The Office of the Auditor General came into being with my being sworn in as Auditor General on 1 September 1977. The initial four months was a period of intense activity directed towards the creation and establishment of a working organization to meet the responsibilities imposed by the Auditor General Act.

Initial staff recruitment was the most urgent necessity, and arrangements for premises, equipment, supplies, setting up basic office policies, methods and procedures had to proceed as quickly as possible in order to make the Office operational. With the support, effort and enthusiasm of the early group of staff appointed during the fall of 1977 - ten of whom are still valued members of my staff - the Office became operational in regard to audit activities in January 1978 and commenced the audits of the Government accounts and the 19 public bodies of which I had been appointed auditor at that time.

For the first two years it was necessary to contract for staff from the private sector to assist in carrying out our audit responsibilities while building up a permanent staff.

The first Annual Report tabled in the Legislative Assembly during its first 1979 session reported on the work done and identified four major areas of particular concern with additional recommendations arising from the work performed.

However, rather than measuring accomplishment in terms of numbers of audits done and reports issued I prefer to gauge our achievements by considering the improvement in financial reports, accountability and control which my Office may have influenced and which affects both the financial operations of Government and the continued activities of my Office.

During the period since my Office was established, we have seen great progress made through much needed replacement of long outdated financial legislation, accounting policies and financial statement presentation in order to provide a basic financial framework more appropriate to current needs and expectations. Although these changes are significant, it will be necessary to review them continually to recommend improvement where necessary and to anticipate future needs.

Inevitably, with so much change having occurred in such a very compressed period of time, there have been problems in implementation of new policies and procedures. It is for this reason that my Office has focused attention on the financial management and control aspects of the Government operations.

Problems with the systems of internal control have been recognized and acknowledged by the Government and various corrective measures have been taken. Nevertheless, our annual audits have disclosed a continuing need for further improvement in this vital area.

It would be difficult to imagine a period that could match the past six years in the extent of changes that have occurred, both in the financial affairs of the Province and in the other activities which so importantly affect our work. It has been an honour for me to have been so actively involved.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
30 April 1984

GOVERNMENT ACCOUNTING POLICIES

1.1 The Government's financial statements are prepared in accordance with accounting policies that it deems appropriate in order to present fairly its financial position and the results of its operations. These accounting policies are stated in the notes which form part of the financial statements published in the Public Accounts.

1.2 I am pleased to note that in all essential aspects the Government's method of disclosing its significant accounting policies is in keeping with the recommendations contained in a Statement recently issued by the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants. Statements issued by this Committee, while not binding on the issuers of financial statements in the public sector, nevertheless represent current recommended practice in the area of public sector accounting.

1.3 However, Section 8(2) of the Auditor General Act permits me to comment when I feel that the Government's disclosed basis of accounting may not be the most appropriate for the purpose of fair presentation and disclosure. Two general areas which give me cause for concern are described hereunder.

Capital Financing Authorities

1.4 In my past two Annual Reports I have commented on three of the Government's financing authorities. These authorities are:

- British Columbia Educational Institutions Capital Financing Authority;

- British Columbia Regional Hospital Districts Financing Authority; and

- British Columbia School Districts Capital Financing Authority.

They serve as conduits for the capital financing requirements of major Government programs in the areas of health and education. The net outstanding debts of these authorities, exceeding $2 billion at 31 March 1983, are fully guaranteed by the Government, and in many aspects are closely akin to direct government debt.

1.5 I recommended in those Reports that the capital financing authorities be included in the Consolidated Financial Statements of the Government, in order to reflect more fairly the long-term obligation of the Government to service a substantial portion of the debt of these authorities. In November 1983, in response to this recommendation, the Ministry of Finance stated that "... the government is prepared to reconsider the future accounting treatment of these entities and has undertaken to review the situation with its accounting advisers and the Auditor General." I look forward to the Ministry's further consideration of this subject.

1.6 Although a fourth financing authority, the British Columbia Housing and Employment Development Financing Authority, was established during the 1983 fiscal year, the nature of its activities are different from those of the three financing authorities referred to above. Consequently, the foregoing comments do not apply to this Authority.

Valuation of Pension Fund Investments

1.7 During 1983 the Treasury Board approved a policy of "deferral and amortization" whereby gains and losses on dispositions of long-term bond investments of pension funds are deferred, and then amortized over the lesser of the remaining term of the bonds or 20 years. This policy decision was based on present life insurance accounting practices in Canada. In prior years gains and losses on dispositions of long-term investments were fully recognized in the accounts of the pension funds in the fiscal year the transactions took place.

1.8 The new policy was retroactively implemented to take effect in the 1983 financial statements for Trust Funds Under Administration. The immediate effect of this policy change on the financial statements was to increase recorded pension assets and fund balances by approximately $5 million. However, the effect of application of this policy in future years could be much more consequential.

1.9 The concept of deferral and amortization has been recognized by some other provinces in preparing pension fund financial statements. However, the deferral and amortization policy implemented by the Government differs significantly from the policies adopted by the other provinces in that it applies to a wider variety of transactions, and allows for substantially longer amortization periods.

1.10 This change in accounting policy could very well lead to the accumulation of significant intangible items on the Trust Funds balance sheet. The use of deferrals is a concept which can achieve a fairer allocation of income from year to year. However, their use carries with it certain risks in that items are presented on the balance sheet which are neither realizable assets nor actual liabilities. It is therefore desirable that prudence be exercised in the use of deferrals. In my view the version of the deferral and amortization policy implemented by the Government is inappropriate because of the broad scope of its application and the extended amortization periods permitted.

1.11 I urge the Government to reconsider this accounting policy decision.

REPORTS AND COMMENTS ON THE FINANCIAL STATEMENTS

2.1 An important part of the Auditor General's responsibility is the examination of the financial statements prepared and presented annually by the Government, and the expression of an opinion as to whether the statements provide a fair presentation of the financial position and operating results of the Government for the period in accordance with its stated accounting policies. This section pertains to the Government's financial statements, my reports thereon, and matters which came to my attention during the examination of the financial statements which I consider warrant further comments.

Reports of the Auditor General on the Financial Statements

2.2 The Government presents three separate and distinct sets of annual financial statements. The first, referred to as the financial statements of the Combined General Fund and Special Purpose Funds, reflects the transactions and financial position of the Consolidated Revenue Fund. The second, entitled the Consolidated Financial Statements, is intended to provide a more comprehensive picture of the Government's financial position; it does so by aggregating the Consolidated Revenue Fund with financial information of certain Crown corporations and other public bodies, and reflecting the Government's investment in other Crown corporations. The third, referred to as the financial statements of the Trust Funds Under Administration, is presented separately for the first time this year; in previous years the information presented in these statements was contained in summary form in the notes to the main financial statements of the Government.

2.3 The auditor's reports containing my opinions on these three sets of financial statements have been issued and are included in the 1983 Public Accounts. My reports are dated 31 August 1983, the date on which my staff completed its field work on the audits. These reports, and the financial statements to which they pertain, appear for the convenience of the reader in Appendix III to this Report.

Comments on the Financial Statements

2.4 During the examination of the accounts of the Government which forms the basis for my opinion on the financial statements, many matters are brought to my attention. These may concern the application of the Government's accounting policies, compliance with statutes and established procedures, or the observance of good business practices.

2.5 Most matters, while important in the context of a single ministry, are not of sufficient magnitude or significance to warrant detailing in this Report. These are dealt with in the normal course of our work by direct communication with the management of ministries concerned.

2.6 However, other items for reasons of materiality or nature are considered worthy of the attention of the Legislative Assembly, and accordingly are discussed in my Annual Reports. Particular comments on the 1983 financial statements resulting from my examination follow.

LOW INTEREST LOAN ASSISTANCE PROGRAM

2.7 The Legislative Assembly appropriated a total of $26 million during the years 1977 to 1980 for the Low Interest Loan Assistance (LILA) program. The Ministry of Industry and Small Business Development, which is responsible for this program, entered into various agreements with the British Columbia Development Corporation (BCDC) to act as agent and administrator of the program. The agreements provide for the return of funds to the Province in the event of the termination of the program.

2.8 As a result of interest earned on loans made under the program, LILA funds held by BCDC, consisting of loans receivable and cash, had increased to over $32 million at 31 March 1983. BCDC estimated that approximately $4 million of LILA loans outstanding were doubtful of collection. Accordingly, the estimated net realizable value of all LILA funds held by BCDC was $28 million at 31 March 1983.

2.9 No value has been attributed to these funds in the Government's financial statements because, although the LILA funds advanced to BCDC were recorded at the original amount of $26 million, an equal offsetting provision for doubtful accounts was made. Ministry officials informed me that this provision was made because there was no intention to recall the funds from BCDC. Interest earned on LILA loans was retained in the fund administered by BCDC, to be used to offset expenses of operating the program and to provide additional funds to further the program objectives. No entries have been made since 1981 in the Government's accounts with respect to these funds.

2.10 Usually when Government monies are to be accounted for separately from the General Fund, a Special Purpose Fund is established to account for the transactions. A Special Purpose Fund was not established by the Government which would have provided for the accounting for the accumulation of interest and absorption of expenses; accordingly I would have expected that all related transactions would be subject to the relevant provisions of the Financial Administration Act, and reported in the General Fund accounts.

2.11 In this regard my staff and I have had extensive discussions with officials of the Ministry of Industry and Small Business Development and the Ministry of Finance, as well as legal counsel. Based on these discussions and the legal advice given to me, I have recently come to the conclusion that changes should be made in the manner in which the Government accounts for and presents these funds in its financial statements.

2.12 I therefore recommended that either legislative approval be obtained for the creation of a Special Purpose Fund to account for the LILA program, or that transactions be fully accounted for as part of the General Fund. Neither of these options would preclude the continued administration of these funds by BCDC.

2.13 Ministry and Office of the Comptroller General officials have agreed in principle to include the net realizable value of LILA funds in the General Fund of the Province for the fiscal year ended 31 March 1984, and to seek appropriate legislative authority for the future handling of these transactions. The net effect in the Government's 1984 financial statements is anticipated to be an increase in both accounts receivable and net equity of approximately $25 million.

LIQUOR DISTRIBUTION BRANCH

2.14 The Liquor Distribution Branch (LDB) is a branch of the Ministry of Consumer and Corporate Affairs, operating under the authority of the Liquor Distribution Act. It is staffed by approximately 2,000 regular and 1,500 auxiliary Provincial government employees working in branch offices, warehouses and liquor stores throughout the Province.

2.15 While the financial statements of the LDB appear in Volume III of the Public Accounts, all that is reflected in the Government's combined financial statements relative to this Branch are its year-end inventories, accounts receivable and payable and its net profit ($338 million for the 1983 fiscal year). The financial statements of the Government do not disclose the Branch's annual sales ($886 million), costs of sales ($450 million), salaries ($55 million), and other operating expenses ($43 million).

2.16 In order to provide a more complete picture of the financial operations of the Government, I recommend that key financial information pertaining to the operations of this Branch be included in the Government's financial statements.

MINISTRY OF TOURISM

2.17 On 11 April 1984 I issued my Third Special Report to the Legislative Assembly on the Expenditures of the Ministry of Tourism. In summary, that report stated that the financial activities of the Marketing Division of the

Ministry had not been adequately controlled. The accounts of the ministry for the 1983 fiscal year were subject to the same audit tests and procedures as were the other 18 ministries. I concluded that the effects of any inappropriate Ministry expenditures, while unsatisfactory and requiring remedial action, would not be material in the context of the Government's overall financial statements.

COMPARABILITY OF THE ESTIMATES AND THE FINANCIAL STATEMENTS

2.18 The Government's principal operating statement, Combined Statement of Operating Results, sets out both the estimated and actual expenditures of the Government on the basis of major activity such as "Protection of Persons and Property" and "Trade and Industrial Development". However, the annual Estimates of the Government do not present the spending plans on this same basis.

2.19 Since the Government presents its Combined Statement of Operating Results by major activity, consideration should be given to presenting an analysis of projected expenditures in the annual Estimates on the same basis. This would then facilitate a full comparison of actual expenditures with amounts originally estimated and approved to be spent.

COMMENTS ON INTERNAL CONTROL

3.1 As part of the work carried out by my Office in the examination of the Government's annual financial statements we review the systems of internal control applied throughout the Government. This review is intended to determine whether the systems provide reasonable assurance that expenditures are properly authorized, revenues collected and assets safeguarded, and that all transactions are correctly recorded in the accounting records.

3.2 In each of my previous Annual Reports I have expressed concern about the internal controls employed by the Government. In earlier years our evaluations of these controls were based mainly on interpretations of generally recognized standards. More recently the Government has established and promulgated internal control standards by means of the following authorities:

- Financial Administration Act (1981);
- Treasury Board's Financial Administration Policy Manual, issued in December 1981, which outlines the standards ministries are to meet in carrying out the responsibilities prescribed in the Act; and
- Comptroller General's Financial Administration Procedures Manual, issued in March 1983, which provides procedural support for the policies and guidelines in the Treasury Board Financial Administration Policy Manual.

3.3 Now that statutory authority, policies and guidelines, and procedural support have been established, one would expect to see the implementation and monitoring of internal controls proceeding in all ministries. In this regard financial managers in the Government have been called upon to implement the requirements of the new financial administration policies in a period of fiscal restraint while at the same time attempting to maintain operational efficiency and effectiveness. Even in such circumstances, and particularly where there has been an increased demand for services, it is all the more important to continue to progress with improvements in internal controls. I am encouraged by the efforts they have devoted to the immediate goal of implementing the new financial policies which are essential to the proper control and management of the Government's financial resources.

3.4 However, our review of internal controls during this past year, based on the Government's established standards, disclosed that the following areas still require improvement in a number of ministries. These are:

- Financial Controls
  - documentation of ministries' systems and procedures;
  - control and reconciliation of expenditure and payroll data from ministries to central system output reports;
  - review of revenue and receivable accounts and reports by an appropriate level of management; and
  - recording of accounts receivable and accounts payable at the fiscal year-end.

- Expenditure Controls
  - payment of invoices with appropriate evidence of receipt of goods;
  - approval procedures for payment of grants;
  - obtaining Treasury Board approvals as required; and
  - controlling, reviewing and reconciling accountable advances.
- Revenue Controls
  - proper segregation of incompatible functions; and
  - control systems for revenues receivable.
- Asset Controls
  - maintenance of bank account records;
  - performance of bank account reconciliations; and
  - recording of trust accounts.

3.5 Specific concerns with respect to the foregoing, as they affect individual ministries, have been brought to the attention of senior ministry officials by means of discussion and management letters issued by my Office relative to the findings arising from our audits. These matters will be followed up by my staff in the normal course of their ongoing audit work.

3.6 In addition to the preceding general comments, a number of specific control deficiencies were identified which were considered sufficiently important to warrant particular mention in this Report. These are described in the following paragraphs.

Control of Government Bank Accounts

3.7 In my 1982 Report I expressed my concern about the continued existence of unauthorized bank accounts which could lead to failure to account for Government funds, and recommended steps be taken to enforce requirements that ministries comply with Treasury Board policy for the establishment and control of all Government bank accounts. This policy includes a requirement that all bank accounts be properly authorized and recorded in a central register maintained by the Ministry of Finance.

3.8 Similar to the results of my Office's 1982 survey and confirmation of bank accounts, a further 106 bank accounts were identified in the 1983 fiscal year which were not included in the central register. Also, a number of accounts which were included in the central register should have been deleted from the register because the accounts at the banks had been closed. Ministry records were corrected as soon as we brought these accounts to the attention of the responsible officials.

3.9 In the interests of protecting and controlling all Government funds, every possible effort should be made by all ministries to ensure compliance with the requirements of the Financial Administration Act and Treasury Board policy related to Government bank accounts.

Bank Reconciliations

3.10 Bank reconciliations are an essential element of internal control systems. Errors or irregularities, which might not otherwise be detected, frequently come to light when bank reconciliations are performed. Management must therefore conduct frequent and prompt reviews of bank reconciliations, and ensure that they understand fully the nature and validity of reconciling items. My staff examined Ministry of Finance bank reconciliations and related control procedures for the Government's main bank accounts. We noted a lack of managerial review of these reconciliations, which were frequently unclear, untidy, and contained errors of principle.

3.11 Appropriate corrective action was taken with regard to the specific errors found during the audits of these accounts. However, the entire bank reconciliation process related to these accounts requires improvement.

Mail Handling Weaknesses

3.12 My 1978 and 1980 Reports stated that control procedures for receiving and recording cash and cheques at the Consumer Taxation Branch of the Ministry of Finance needed improvement. Improvements were noted in subsequent years.

3.13 In August 1983 two cheques and a money order payable to the Minister of Finance, and two other documents, all from registered consumer taxation vendors, were delivered to me. These items were said to have been found in Government garbage containers.

3.14 We reviewed the mail handling procedures employed by the Revenue Administration Branch of the Ministry of Finance. Although this Branch handles approximately one million pieces of mail annually, we found its formal procedures for dealing with payments received to be generally satisfactory. In addition, an informal arrangement was found to exist whereby opened and presumably empty envelopes were sent in plastic bags to a group of employees of another ministry so that stamps could be removed for charitable purposes in employees' personal time. We were advised that cheques and other documents were occasionally found during this process, and returned to the Ministry of Finance.

3.15 I concluded that this particular problem arose as a consequence of the informality of the procedures. I have reported in greater detail to officials of the two ministries involved. My report included the recommendations that the Ministry of Finance either acquire advanced mail opening equipment or utilize its own resources for additional checks of opened envelopes, and that formal procedures be established to record any findings and the return of inadvertently missed documents.

Physical Count of Securities

3.16 One of the recommendations resulting from my 1980 financial management and control audit in the Ministry of Finance was:

> "In order to verify the existence of securities it holds for safekeeping, the Securities Section should count the securities at least once each year, under the

supervision of senior section staff. The physical counts should be independently compared and reconciled to written control records and accounts."

3.17 Although the present Securities and Administration Branch acts as custodian of approximately $4 billion of securities in its vault, it has not in recent years performed a count of those securities.

3.18 The only complete physical counts of these securities in recent years have been the annual counts carried out by my staff for audit purposes. As custodian of these securities, the Branch has a responsibility to verify their existence periodically, and must not continue to rely solely on the counts performed by my staff. I reiterate my previous recommendation in this regard.

Performance Bond Deposits

3.19 In my 1978 Annual Report I raised the issue of the lack of adequate control over securities lodged with the Government as guarantee and performance deposits. I have commented on this unresolved matter in each of my succeeding Reports. During the 1983 fiscal year a further instance of this problem was identified which warrants comment.

3.20 The Ministry of Energy, Mines and Petroleum Resources frequently receives performance bond deposits from mining and petroleum companies. These deposits are often in the form of negotiable securities, and are held in safekeeping at the Provincial Treasury.

3.21 In accordance with the Financial Administration Act and its regulations, ministries must ensure the safe custody, accounting and control of all assets held in trust. During our audit we found that the Ministry:

- did not comply with the requirement that it report all trust transactions to the Office of the Comptroller General;
- did not send a list of trust assets to the Office of the Comptroller General at the year-end, as required; and
- did not agree its accounting records to the trust assets on hand as at 31 March 1983.

3.22 Because of the Ministry's failure to comply with prescribed procedures, the Ministry was unable to demonstrate that trust assets received have been properly accounted for.

3.23 Ministry officials have advised that the prescribed procedures will be followed in the future.

Approval of Excess Project Costs

3.24 Ministries are required to obtain Treasury Board approval before initiating major capital projects. These projects include the construction of highways, roads, bridges and ferries. Ministries are also required to obtain additional Treasury Board approval when actual project costs exceed approved cost estimates by the lesser of 10% or $1 million.

3.25 In the Ministry of Transportation and Highways my staff identified two capital projects where the status of costs incurred to 31 March 1983 indicated project cost overruns requiring Treasury Board approval. One related to conversion work on the M.V. Princess of Vancouver where actual expenditures of $12 million exceeded by $3.1 million the amount previously approved by Treasury Board. The other involved construction on a section of Highway 97 where the actual expenditures of $8.1 million also exceeded the amount approved by Treasury Board, in this case by $1.9 million. In neither case did the Ministry obtain Treasury Board approval for the excess expenditures.

3.26 The Ministry should obtain approval from Treasury Board for the excess expenditures on these two projects, and ensure that further such omissions do not occur.

Printing and Stationery Purchases

3.27 The Queen's Printer orders approximately $11 million worth of printing and stationery supplies annually for delivery directly to ministries. Suppliers send their invoices for such shipments to the Queen's Printer for payment. Ministries are required to provide the Queen's Printer with written confirmation of deliveries received.

3.28 Our review of payments for printing and stationery supplies disclosed that, in the majority of cases, ministries do not provide acknowledgement of goods received.

3.29 Payments should not be made without adequate evidence that goods or services have been received. The Queen's Printer should either enforce the requirement that ministries acknowledge receipt of goods, or devise alternate measures which will provide support for invoices paid.

3.30 Officials of the Queen's Printer have advised us that improvements in control procedures have since been initiated to address this problem. My staff will evaluate the effectiveness of these procedures in the course of future audits.

Income Assistance Payments

3.31 Well designed and operationally effective control systems for preventing or detecting error and fraud are vital to a program such as Income Assistance. Weaknesses in such systems could result in substantial losses, particularly in view of the repetitive nature of most income assistance payments.

3.32 The following observations are based on reviews conducted at the headquarters of the Ministry of Human Resources and at five field offices located elsewhere in the Province. While our findings at the field offices may not be entirely representative, some deficiencies were found to occur with sufficient regularity to give cause for concern about the overall system for the processing of income assistance payments by the Ministry. These are:

- Cheques Issued by Computer. Most income assistance cheques are issued from a central computer facility based on documents received from field offices. Adequate controls were not in place at the field offices to ensure the completeness of input documentation and its eventual processing. In addition, although the central computer facility has procedures designed to ensure that data submitted by field offices is complete, they are not properly followed.

- Cheques Issued by Field Offices. Field offices are authorized to issue cheques in emergency situations. During our review we identified serious weaknesses in the systems designed to control these cheque payments.

- File Documentation. Field offices maintain files containing documentation in support of income assistance payments. In the offices visited we found that important eligibility documentation was frequently missing from files.

- Segregation of Duties. It is important in any organization handling large sums of money to segregate certain duties so that one person does not have complete control over all aspects of a transaction. We noted that many field office financial functions are handled by one individual in each office. We acknowledge that in smaller offices the opportunity for segregation of duties may be limited, in which case more frequent monitoring of financial activities by management would be appropriate. However, wherever feasible, a segregation of duties should be maintained.

3.33 I have related my concerns in greater detail to Ministry officials. They have advised me that existing systems and procedures have been reviewed and that steps are underway to address my concerns.

Shared-Cost Programs

3.34 The Province incurs various program costs which are fully or partially recoverable from the Government of Canada. With the exception of the Canada Assistance Plan programs which are administered by several ministries but claimed through one, individual ministries operate the programs and are then responsible for administering claims for recovery of shareable costs.

3.35 In my 1979 and 1980 Reports I expressed concerns about the systems in place to ensure that claims are processed in a timely manner. Management has advised that improvements have been made. Nevertheless, some concerns do remain. During this past year we have identified inadequate claim procedures in two ministries:

- Ministry of Human Resources.
  - Documentation in support of two shared-cost programs, the Child in Care program for Indian children and a Canada Share Joint Services program with respect to two Indian bands, was found to be incomplete and was not reconciled to program expenditure records maintained by the Ministry. Accordingly, some eligible costs may not have been included in the claims for reimbursement.
- Ministry of Education.
  - Claims regarding the Citizenship and Language Instruction Agreement and the National Training Agreement were up to two years late in being submitted. These delays precluded the prompt recovery of shared costs by the Province.

3.36 Since substantial sums are involved in these shared-cost programs, systems and procedures should be improved to provide assurance that all reimbursable costs are recovered promptly and completely by the Province.

Government Payroll System

3.37 The Government Payroll Office (GPO) introduced a new computerized payroll system on 1 January 1983. The system maintains records and produces the payrolls for some 40,000 public sector employees with payments totalling approximately $1 billion a year.

3.38 Most of the data fed into the system originates in the various ministries and is recorded on forms prepared by them. These forms are forwarded to the GPO which examines them to ensure compliance with the Government Payroll Manual. The forms are then grouped for control purposes (batched), and forwarded to the Data Processing Branch to be entered into the automated part of the payroll system.

3.39 A preliminary review of the new payroll system was carried out during the course of our 1983 audit. As a result of this review we concluded that procedures for processing forms through the GPO do not provide adequate control to ensure that only authorized data is entered and that all approved data is entered into the payroll system.

3.40 I recommend that authorization control procedures at the GPO be strengthened and that batching of payroll input forms be implemented at the ministry level.

Superannuation Commission Accounting

3.41 The Superannuation Commission, a department of the Ministry of the Provincial Secretary and Government Services, provides administrative and support services for the operation of nine public sector pension plans. These plans have assets totalling $4.5 billion, annual revenues of over $1 billion, and disbursements of over $200 million each year in pension benefits.

3.42 As the auditor of eight of these pension plans, I examine the accounts maintained by staff of the Commission, and review the reliability of the accounting systems which form the basis for preparation of the financial statements of each plan. During the 1983 fiscal year, as in previous years, I was able to satisfy myself in all material respects with regard to the financial statements of these plans.

3.43 However, as a result of my reviews over the years I have become increasingly concerned about:

- the ability of the accounting systems to deliver reliable and timely information;
- the organizational structure of the accounting activity;
- the adequacy of internal audit coverage; and
- the need to develop more definitive goals, objectives, policies and procedures for the administration of the accounting function.

3.44 On various occasions I have brought these concerns to the attention of senior management of the Commission, and have recommended that corrective action be taken. Management has recently responded that it is their intention to strengthen the financial operations of the Commission.

3.45 I welcome this initiative, and my Office will continue to monitor the progress being made in improving the accounting activities of the Commission.

STATUS OF GENERAL FINDINGS AND RECOMMENDATIONS CONTAINED IN PREVIOUS ANNUAL REPORTS OF THE AUDITOR GENERAL

4.1 This section presents the current status of matters arising from my previous audits of the Government's financial statements which were unresolved at the time of my 1982 Annual Report. This status of findings and recommendations has been prepared by my staff and is based on the results of this year's audit work.

4.2 In November 1983 the Government issued a Response to the 1982 Report of the Auditor General which is available to the Members of the Legislative Assembly and the public. This document outlines the Government's progress in responding to problems identified in my 1982 Annual Report.

STATUS OF GENERAL FINDINGS AND RECOMMENDATIONS CONTAINED IN PREVIOUS ANNUAL REPORTS OF THE AUDITOR GENERAL

Report	Section, Paragraph	Subject	Status as at Date of Preparation of the 1983 Annual Report
GOVERNMENT ACCOUNTING POLICIES			
1981	2.4	Exclusion from the Consolidated Financial Statements of the following financing authorities: . British Columbia Educational Institutions Capital Financing Authority; . British Columbia Regional Hospital Districts Financing Authority; and . British Columbia School Districts Capital Financing Authority.	No change. (See also 1983 Report, Section 1, Paragraph 1.4)
1982	1.5	Decision to exclude the Workers' Compensation Board and its unfunded liabilities from the Consolidated Financial Statements should be re-assessed each year.	The Government has annually re-assessed this decision.

Report	Section, Paragraph	Subject	Status as at Date of Preparation of the 1983 Annual Report
APPLICATION OF ACCOUNTING POLICIES			
1981	4.7	Stated accounting policies not being complied with.	Considerable improvement noted during the past year, due to increased communication between Office of the Comptroller General and the Ministries.
1982	2.31	Noncompliance with Government inventory policies:	
		• Value of publications inventory held for resale by the Provincial Museum not recorded in the accounts.	Recorded in the 1983 financial statements.
		• Inventory of speech and hearing equipment held at several clinics of the Ministry of Health at the year-end was not counted.	Counted at the year-end and included in the 1983 financial statements.

Report	Section, Paragraph	Subject	Status as at Date of Preparation of the 1983 Annual Report
COMMENTS ON THE FINANCIAL STATEMENTS			
1979	7.40 and 7.41	Recommendation with respect to the conflict between legislation and accounting practices concerning the Hospital Insurance Fund.	No change. Conflict still exists.
1980 1981	3.14 10.14	Limitations placed on the Auditor General of British Columbia under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977 (Canada), prevent verification of Income taxes payable to the Province.	Limitation still exists. During 1983 the Auditor General of Canada provided certain assurances to my Office with regard to income taxes assessed and allocated.
1982	2.9	Recommendation that all court trust bank accounts and offsetting trust fund liabilities be correctly accounted for and recorded.	Improvements noted but problem not completely resolved.
1982	2.13	Unexpended funds for the International Year of Disabled Persons should have lapsed.	All remaining funds for the International Year of Disabled Persons have been disbursed in accordance with the program's criteria in the 1983 fiscal year.

Report	Section, Paragraph	Subject	Status as at Date of Preparation of the 1983 Annual Report
1982	2.16	Clarification of legislation and possible funding adjustments required with respect to the Members of the Legislative Assembly Superannuation Account.	No change. Legislative amendments have been drafted but were not presented for consideration during the 1983 sitting of the Legislative Assembly.
1982	2.21	Sections 14(1) and 35 of the Financial Administration Act used inappropriately as authority for the acquisition of fixed assets.	No further fixed assets acquired using these authorities.
1982	2.24	Inappropriate method of allocating investment income to the various sinking funds.	The method of allocating investment income was changed to an appropriate basis in April 1983.
1982	2.29	Provision for doubtful timber stumpage and royalty accounts receivable not sufficient to provide for the accounts considered doubtful.	Situation improved with an appropriate review of accounts receivable performed by the Ministry and an adequate provision for doubtful accounts set up at 31 March 1983.

Report	Section, Paragraph	Subject	Status as at Date of Preparation of the 1983 Annual Report
COMMENTS ON INTERNAL CONTROL			
Ministry of Attorney General			
1979	7.16	Uniform guidelines and improved procedures for fee collection by the Public Trustee should be developed.	The new accounting systems implemented in February 1983 resolved this problem.
Ministry of Finance			
1978	8B.20	Effective control is not maintained over securities lodged as deposits.	This problem persists. Controls have improved in some ministries but there is still no effective liaison between many ministries and the Ministry of Finance regarding these deposits. (See also 1983 Report, Section 3, Paragraph 3.19)
1978 1980	11.16 and 11.18 4.17	Weaknesses in internal controls and accounting records of the Securities Section.	Considerable systems improvements have been noted since I first reported on this area. During the past year the authorization process was improved and better controls were put in place for interest receipts.

Report	Section, Paragraph	Subject	Status as at Date of Preparation of the 1983 Annual Report
1982	3.12	Non-compliance with the provisions of Treasury Board's financial administration policy with regard to establishing and maintaining records of ministry bank accounts.	(See 1983 Report, Section 3, Paragraph 3.7)
1982	3.16	Centralized leave management system not accurate or reliable, and duplicated by manual systems maintained in ministries.	The problems continued in most ministries.
Ministry of Health			
1979	7.38	The system for administering and controlling patients' trust accounts should be upgraded, with particular attention being given to reconciliation of patients' trust accounts.	The Ministry has completed the field work portion of its review of the systems used to administer and control patients' trust funds in all institutions operated by it, and plans to develop and implement financial policies for patients' trust accounts by 31 March 1984.

Report	Section, Paragraph	Subject	Status as at Date of Preparation of the 1983 Annual Report
1980	4.26	A coordinated policy for adjustment, collection and write-off of hospital patient maintenance charges receivable is necessary to ensure that the hospitals' accounts receivable records reflect amounts considered collectible and that revenue is collected promptly.	The Ministry is planning to implement new financial policies for patient maintenance accounts receivable in the 1984 fiscal year.
Ministry of Transportation and Highways			
1982	3.18	Highway construction contracts did not comply with Treasury Board approval requirements.	The Ministry advised that steps have been taken to ensure Treasury Board approval in all cases. However, retroactive Treasury Board approval of the three contracts in question was not obtained. Related problems continue to exist. (See 1983 Report, Section 3, Paragraph 3.24)
1982	3.21	Procedures and resources of the Motor Vehicle Department do not provide an effective check on the revenues collected for it by I.C.B.C.	No change. The Ministry has held discussions with external auditors of I.C.B.C. regarding the feasibility of the auditors providing the Ministry with assurances as to these revenues.

PUBLIC BODIES

5.1 Under the authority of the Auditor General Act I am eligible for appointment as the auditor of any Crown corporation, Crown agency or other public body. As at 31 March 1983, in my capacity as Auditor General, I was the appointed auditor of the 31 public bodies listed immediately hereunder. Assets administered by, and expenditures of these public bodies total approximately $7.5 billion and $2.5 billion respectively. The financial statements of these public bodies are included in Volume III of the Public Accounts.

British Columbia Assessment Authority

British Columbia Educational Institutions Capital Financing Authority

British Columbia Energy Development Agency

British Columbia Harbours Board

British Columbia Health Care Research Foundation

British Columbia Heritage Trust

British Columbia Housing and Employment Development Financing Authority

British Columbia Institute of Technology

British Columbia Place Ltd.

British Columbia Power Commission Superannuation Fund

British Columbia Railway Company Pension Fund

British Columbia Regional Hospital Districts Financing Authority

British Columbia School Districts Capital Financing Authority

College Pension Fund

Creston Valley Wildlife Management Authority Trust Fund

Expo 86 Corporation

Health Facilities Association of British Columbia

Knowledge Network of the West Communications Authority

Knowledge-West Communications Corporation

Legal Services Society

Medical Services Commission

Municipal Superannuation Fund

Pacific Vocational Institute

Provincial Capital Commission

Provincial Rental Housing Corporation

Simon Fraser University

Teachers' Pensions Fund

The University of British Columbia

University of Victoria

Workers' Compensation Board of British Columbia

Workers' Compensation Board Superannuation Fund

5.2 Also included in Volume III of the Public Accounts are the financial statements of four other entities listed below. I do not provide separate audit opinions on these entities as their accounts are examined as part of my audit of the Government's financial statements. Assets and expenditures of these four entities amount to approximately $1.6 billion and $600 million respectively.

British Columbia Liquor Distribution Branch

Queen's Printer

Public Service Superannuation Fund

Members of the Legislative Assembly Superannuation Account

5.3 During the year my Office performed the initial audit of the accounts of the British Columbia Housing and Employment Development Financing Authority.

5.4 In conducting my audit of the financial statements of the Province I have relied on the work of various public accountants who audit the financial statements of certain public bodies whose statements are included in the Consolidated Financial Statements, but which are not audited by me. These public bodies are listed in Appendix II. I appreciate the cooperation I have received from these public accountants.

PUBLIC ACCOUNTS COMMITTEE

6.1 In my capacity as Auditor General, I am an officer of the Legislative Assembly and carry out the duties of my Office to serve the needs and interests of the Assembly. My mandate, described in the Auditor General Act, is to report annually to the Assembly on the financial statements of the Government, and on any other matters arising from the work of my Office which I consider should be brought to the attention of the Assembly. The Act furthermore provides that the annual report of the Auditor General, once tabled in the Assembly, shall be referred to the Public Accounts Committee.

6.2 It is generally assumed that the reference of an auditor's report to a public accounts committee is intended to allow the committee to examine in more depth the comments and recommendations of the auditor with respect to the government's administration of the finances and related activities of the province. This examination is seen as an important part of the process designed to hold governments accountable for their management of public money and resources.

6.3 Legislative auditors look to public accounts committees to be the focus of control, pressure and action for the public good. The continued interest and involvement of the committee helps to impress those responsible for the administration of government with the need and urgency for corrective action suggested by the auditor's findings and recommendations.

6.4 In each of my last four Annual Reports I have commented on my contacts and dealings with the Public Accounts Committee. In the earlier years this involvement was reasonably active and constructive, and resulted in a favorable impact on the results of my Office's work. More recently the Committee has pursued other avenues of enquiry, and has spent very little time discussing the concerns raised in my Reports.

6.5 While the direction of its enquiries is without question the Committee's prerogative, increased involvement with the Auditor General's Report could reinforce its impact as an instrument for improving public accountability by the Government.

GENERAL MATTERS

Organization and Activities of the Audit Office

Staff Resources

7.1 In my last Report I referred to my Office's compliance with the request for government-wide restraint during a difficult economic period, and my agreement to a temporary limitation on staff levels until adequate funding was available. Since then the Government has adopted a policy of further fiscal restraint and, as a result, the number of authorized staff positions for the Office has been reduced from 92 in the 1983 fiscal period to 82 in the 1984 fiscal period.

7.2 The reduction in our manpower budget has limited the extent of audit work that would otherwise have been possible. While I have been able to fulfill my statutory audit obligations, this manpower budget reduction has meant that I have been unable to undertake additional desirable work in such areas as value-for-money audits.

7.3 At 31 December 1983 the Office employed 46 professional accountants, 28 audit staff pursuing courses of studies leading to recognized accounting designations, and 8 administrative staff.

Organization

7.4 Due to the increased complexity of the audit challenges facing the Office, changes in organization were effected during the year. Two Executive Director positions were established which serve to focus the planning and coordination of audit work on the Government's financial statements, and on the audits of public bodies. In addition, the computer audit activity was made a Director level responsibility in recognition of the growing importance of that function. The Deputy Auditor General, Robert J. Hayward, C.A. and I, together with the:

- Executive Directors
  - Frank Barr, C.A.
  - Gordon W. Dawson, C.A.
- Audit Directors
  - Michael R. Day, R.I.A.
  - Endre Dolhai, C.A.
  - G. Peter Gregory, C.A.
  - Terence P. Mackian, C.A.
  - Errol S. Price, C.A.
  - Robert B. Wallace, C.A.

constitute the Executive Committee of the Office.

Training

7.5 During the year professionally qualified staff participated in in-house development seminars and attended specialized courses offered outside of the Office. These professional development activities maintain and enhance the technical competence and management skills that staff members are required to apply in their assignments. In addition, the students employed by the Office pursued their courses of studies leading to professional accounting designations through their various institutes and attended in-house training seminars which familiarize them with the auditing principles, practices and procedures used by the Office.

7.6 Computer audit training continues to merit attention in the Office. For the past two years selected members of the regular audit staff have been assigned to our computer audit specialist group for temporary periods of about six months. During such periods, these staff members broaden and upgrade their computer auditing knowledge through personalized instruction from the specialists and immersion in computer audit work. After this training, staff members return to their regular audit groups where they act as advisors in computer audit matters and bring this specialized knowledge to their regular audit assignments.

Accounting and Auditing Research

7.7 In my last Report I indicated that the Office had commenced a major review of the methodology used in our audits of the financial statements of the Province and of public bodies, with the aim of ensuring that the latest and most appropriate auditing concepts were encompassed in the auditing policies and practices of the Office. This review has continued. The audit methodology which resulted from the review has now been approved in principle by the Executive Committee of the Office and a new audit manual encompassing these principles, practices and procedures is currently being completed. These concepts are designed to provide effective and efficient audits and to maintain competence in line with current and developing technology.

7.8 The Office continues to support the work of the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants. This Committee is developing recommendations on principles and standards for public sector accounting and auditing which are expected to become generally recognized. Establishing generally accepted accounting principles and auditing standards for government is an evolutionary process building on widespread experimentation, practical experience and consensus. Several members of my staff contribute to the work of this Committee.

7.9 The Office also continues its involvement with the Canadian Comprehensive Auditing Foundation. The Foundation was established to promote the concept of value-for-money audits of governments and publicly funded bodies, and serves as a focal point for collecting and communicating comprehensive auditing knowledge and experience.

Other Activities

7.10 Members of my staff and I remain active in professional and community affairs. During the year Robert Hayward, Deputy Auditor General, was elected to the Council of the Institute of Chartered Accountants of British Columbia and also serves as Chairman of the Members in the Public Sector Committee of that Institute. Several other members of the Office also serve on Institute committees, act as college course instructors, and participate in other activities related to the accounting profession.

Canadian Conference of Legislative Auditors

7.11 The Canadian Conference of Legislative Auditors held its eleventh annual meeting in Toronto in July 1983. This informal association continues to serve an important role in the exchange of ideas and information amongst the legislative auditors of the provinces and Canada. Our Office was represented at the Conference which dealt with many technical issues of interest to those present and provided an opportunity to discuss audit approaches and experiences with colleagues. This year, as last, the Legislative Auditing Practices Committee meeting was held in conjunction with the Legislative Auditors Conference. This meeting brings together representatives of the provincial and the federal audit offices to discuss auditing matters of a technical nature.

Advisory Council

7.12 I appreciate and value the advice and assistance received from the following senior members of the accounting profession who serve on the Auditor General's Advisory Council:

Michael J. Ashby, F.C.A.
Arthur Beedle, F.C.A.
Dennis F. Culver, F.C.A.
Denham J. Kelsey, F.C.A.
Ronald W. Park, F.C.A.

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APPENDIX I

Sections of the Auditor General Act Relevant to the Responsibilities of the Auditor General

EXAMINATION OF ACCOUNTS

6. (1) The Auditor General shall examine in the manner he considers necessary the accounts and records of the government relating to the consolidated revenue fund and all public money, including trust and special funds under the management of the government, and to public property.

(2) Notwithstanding any other Act, the Auditor General

(a) shall be given access to the records of account and administration of any ministry; and

(b) may require and receive from any person in the public service, information, reports and explanations necessary for the performance of his duties.

REPORT ON FINANCIAL STATEMENTS

7. (1) The Auditor General shall report annually to the Legislative Assembly on the financial statements of the government, including those required by section 8(2) of the Financial Administration Act, respecting the fiscal year then ended.

(2) The report shall form part of the public accounts and shall state

(a) whether he has received all of the information and explanations he has required; and

(b) whether in his opinion, the financial statements present fairly the financial position, results of operations and changes in financial position of the government in accordance with the stated accounting policies and as to whether they are on a basis consistent with that of the preceding year.

(3) Where the report of the Auditor General does not contain the unqualified opinion required under this section, the Auditor General shall state the reasons why.

ANNUAL REPORT

8. (1) The Auditor General shall report annually to the Legislative Assembly on the work of his office and call attention to anything resulting from his examination that he considers should be brought to the attention of the Legislative Assembly including any case where he has observed that

(a) accounts have not been faithfully and properly kept or public money has not been fully accounted for;

(b) essential records have not been maintained;

(c) the rules, procedures or systems of internal control applied have been insufficient

  (i) to safeguard and protect the assets of the Crown;

  (ii) to secure an effective check on the assessment, collection and proper allocation of the revenue;

  (iii) to ensure that expenditures have been made only as authorized; or

  (iv) to ensure the accuracy and reliability of the accounting data; or

(d) public money has been expended for purposes other than for which it was appropriated by the Legislature.

(2) In the report the Auditor General may also include an assessment

(a) as to whether the financial statements of the government are prepared in accordance with the most appropriate basis of accounting for the purpose of fair presentation and disclosure; or

(b) as to whether any program being administered by a ministry is being administered economically and efficiently.

TRIVIAL MATTERS

9. The Auditor General need not report to the Legislative Assembly on any matter he considers immaterial or insignificant.

SUBMISSION OF ANNUAL REPORT

10. (1) A report of the Auditor General to the Legislative Assembly shall be submitted by him through the Minister of Finance.

(2) On receipt of a report of the Auditor General, the Minister of Finance shall lay the report before the Legislative Assembly as soon as possible.

(3) If the Minister of Finance does not lay the report before the Legislative Assembly on the first sitting day following the receipt of the report by him, the Auditor General shall transmit the report to the Speaker and the Speaker shall lay the report before the Legislative Assembly.

(4) On being laid before the Legislative Assembly, the annual report of the Auditor General shall be referred to the Public Accounts Committee of the Legislative Assembly.

SPECIAL REPORT

11. The Auditor General may at any time make a special report to the Legislative Assembly on a matter of primary importance or urgency that, in his opinion, should not be deferred until he makes his annual report.

OTHER REPORTS

12. The Auditor General may at any time make a report to the Minister of Finance, the Treasury Board, the Lieutenant Governor in Council, or any public officer on any matter that in the opinion of the Auditor General should be brought to his or their attention.

SPECIAL ASSIGNMENTS

13. The Auditor General may undertake special assignments at the request of the Lieutenant Governor in Council, but he is under no obligation to carry out any requested assignment if, in his opinion, it would interfere with his primary responsibilities.

STAFF IN MINISTRIES

14. (1) The Auditor General may station in any ministry a person employed in his office to enable him to more effectively carry out his duties, and the ministry shall provide the necessary office accommodation for a person so stationed.

(2) The Auditor General shall require every person employed in his office who is to examine the accounts or the administration of a ministry pursuant to this Act to comply with any security requirements applicable to, and to take any oath of secrecy required to be taken by, persons employed in that ministry.

INQUIRY POWERS

15. The Auditor General may examine any person on oath on any matter pertaining to his responsiblities and for that examination the Auditor General has all the powers, protection and privileges of a commissioner under sections 12, 15 and 16 of the Inquiry Act.

PUBLIC BODIES

16. (1) Notwithstanding any other Act, where the Auditor General is not the auditor of a public body,

(a) the public body shall, on the request of the Auditor General, supply the Auditor General with a copy of all financial statements and reports relating to the public body;

(b) the auditor of the public body shall, on the request of the Auditor General, make available to the Auditor General, within a reasonable time, all working papers, reports and other documents in his possession relating to the public body; and

(c) the Auditor General may conduct examinations of the records and operations of the public body he considers necessary or advisable to carry out his duties under this Act.

(2) Notwithstanding any other Act, the Auditor General

(a) shall be given access to the records of account and administration of any public body; and

(b) may require and receive from any officer or employee of a public body information reports and information necessary for the performance of his duties.

ELIGIBILITY AS AUDITOR

17. Notwithstanding any other Act, the Auditor General is eligible to be appointed the auditor, or a joint auditor, of a Crown corporation, Crown agency or public body.

TRANSFER OF AUDIT DUTIES

18. The Lieutenant Governor in Council may transfer to the Auditor General the duty imposed by any Act on the Comptroller General to conduct an audit.

APPENDIX II

Public Bodies, of Which the Auditor General was not the Appointed Auditor, Whose Financial Statements are Included in the Consolidated Financial Statements of the Province

British Columbia Buildings Corporation
British Columbia Cellulose Company
British Columbia Development Corporation
British Columbia Ferry Corporation
British Columbia Housing Management Commission
British Columbia Hydro and Power Authority
British Columbia Petroleum Corporation
British Columbia Railway Company
British Columbia Steamship Company (1975) Ltd.
British Columbia Systems Corporation
British Columbia Transit
Discovery Foundation
Housing Corporation of British Columbia
Insurance Corporation of British Columbia
Metro Transit Operating Company
Ocean Falls Corporation
Pacific Coach Lines Limited
Science Council of British Columbia
Surrey Farm Products Investments Ltd.
Universities Council

APPENDIX III

Sections B, C and D of the Public Accounts

The material which forms Appendix III is an excerpt from the Public Accounts of British Columbia for the fiscal year ended 31 March 1983.

SECTION B

COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS (CONSOLIDATED REVENUE FUND)

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COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS (CONSOLIDATED REVENUE FUND)

PREAMBLE

For the third successive year, revenue—except for payments to the Province from the Federal Government under the *Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977*—and expenditure are recorded in the Public Accounts on the accrual basis of accounting as expressed in note 1 to these combined financial statements.

Similarly, the activities of the General Fund and Special Purpose Funds, comprising the transactions and balances of the Consolidated Revenue Fund, have been combined for reporting purposes. In these Combined Financial Statements, the transfers between the General Fund and the Special Purpose Funds have been eliminated, but General Fund figures have been reported separately in order to provide a comparison of actual General Fund revenues and expenditures to that presented in the 1982/83 Estimates of Revenue and Expenditure and to ensure the reporting of General Fund expenditures is consistent with legislative authority.

REPORT OF THE AUDITOR GENERAL ON THE COMBINED FINANCIAL STATEMENTS INCLUDED IN THE PUBLIC ACCOUNTS OF THE PROVINCE OF BRITISH COLUMBIA

Province of British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

To the Legislative Assembly
of the Province of British Columbia
Parliament Buildings
Victoria, British Columbia

I have examined the financial statements of the Combined General Fund and Special Purpose Funds (Consolidated Revenue Fund) of the Government of the Province of British Columbia for the fiscal year ended March 31, 1983 as presented in Section B of the Public Accounts, and the related supplementary schedules contained in sub-sections B20 through B52. These financial statements are:

Combined Balance Sheet
Combined Statement of Operating Results
Combined Statement of Changes in Cash and Temporary Investments
(including Notes to Combined Financial Statements)

With respect to the supplementary schedules, I did not examine and do not express an opinion on the figures reported in Combined General Fund and Special Purpose Funds Revenue by Sources (B20) and Expenditure by Function (B22) for the fiscal years ended March 31, 1979 and 1980.

My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have received all the information and explanations I have required for the purpose of my examination.

I report in accordance with section 7 of the *Auditor General Act*. In my opinion, these combined financial statements present fairly the financial position of the Government of the Province of British Columbia as at March 31, 1983 and the results of its operations and the changes in its financial position for the year then ended on a combined basis in accordance with the stated accounting policies as set out in Note 1 to the combined financial statements applied on a basis consistent with that of the preceding year.

...2

I emphasize that this report is limited under section 7 of the Act to an opinion on presentation of the financial statements in accordance with the stated accounting policies of the Government. Under section 8 of the Act I report separately on other matters resulting from my examination that I consider should be brought to the attention of the Legislative Assembly. That report will be presented at a future date.

Erma Morrison

ERMA MORRISON, F.C.A.
Auditor General

Victoria, British Columbia
31 August 1983

COMBINED BALANCE SHEET AS AT MARCH 31, 1983

	1983	1982
ASSETS	$	$
Cash and temporary investments (note 2)	282,550,897	832,054,246
Accounts receivable (note 3)	587,969,666	435,682,973
Due from Crown corporations and agencies (note 4)	99,747,485	97,185,874
Mortgages receivable (note 5)	250,315,139	184,153,762
Prepaid program costs (note 6)	88,511,404	34,218,827
Inventories (note 7)	45,375,731	38,110,585
Investments in and advances to Crown corporations (note 8)	247,243,490	273,254,548
Property under development (note 9)	64,502,224	66,006,762
Fixed assets (note 1)	1	1
Other assets (note 10)	325,743,747	286,388,914
	1,991,959,784	**2,247,056,492**
LIABILITIES		
Accounts payable and accrued liabilities (note 1)	461,121,783	459,022,835
Due to Crown corporations and agencies (note 11)	20,357,385	14,805,656
Deferred revenue (note 12)	91,271,490	69,813,881
Unmatured debt (note 13)	883,147,790	183,147,790
	1,455,898,448	**726,790,162**
NET EQUITY		
Net equity — beginning of year	1,520,266,330	1,704,287,804
Net revenue (expenditure) for the year	(984,204,994)	(184,021,474)
Net equity — end of year	**536,061,336**	**1,520,266,330**
	1,991,959,784	**2,247,056,492**
CONTINGENCIES AND COMMITMENTS (note 14) Guaranteed Debt	**11,426,846,802**	**9,943,378,155**
TRUST FUNDS UNDER ADMINISTRATION (section D)	**8,024,962,079**	**7,104,655,358**

The accompanying notes and supplementary schedules are an integral part of these financial statements.

Approved on behalf of the Ministry of Finance:

Bell

L. I. BELL
Deputy Minister of Finance and Secretary of Treasury Board

DBMarson

D. B. MARSON
Acting Comptroller General

COMBINED STATEMENT OF OPERATING RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Estimates 1983		1983				1982
		General Fund	Special Purpose Funds	Adjustments For Transfers Between General Fund and Special Purpose Funds[1]	Total	Total
$		$	$	$	$	$
	Revenue					
4,438,000,000	Taxation	3,869,668,544			3,869,668,544	4,216,695,833
753,300,000	Natural resources	541,163,995	542,550,619	(541,163,995)	542,550,619	597,602,886
593,100,000	Other	1,345,350,537	330,734,128	(1,131,159,683)	544,924,982	647,474,751
371,700,000	Contributions from Government enterprises	337,854,900			337,854,900	326,520,210
1,174,600,000	Contributions from other governments	1,233,707,862	382,866		1,234,090,728	1,115,154,993
7,330,700,000	Total revenue	**7,327,745,838**	**873,667,613**	**(1,672,323,678)**	**6,529,089,773**	**6,903,448,673**
	Expenditure					
339,700,000	General government	340,524,260	1,565,626		342,089,886	303,263,660
407,200,000	Protection of persons and property	351,691,500			351,691,500	318,726,945
660,600,000	Transportation and communications	593,650,166			593,650,166	729,940,532
3,373,400,000	Health and social services	3,426,663,204			3,426,663,204	2,898,735,753
82,600,000	Recreation and cultural services	52,117,622	5,231,233		57,348,855	76,174,313
1,786,500,000	Education	1,668,572,801			1,668,572,801	1,549,947,904
484,000,000	Natural resources and primary industries	421,638,888	604,031,729	(570,505,561)	455,165,056	487,545,227
63,900,000	Trade and industrial development	57,490,796	2,265,894	(2,251,782)	57,504,908	86,331,138
124,900,000	Housing	120,496,342			120,496,342	113,453,034
331,900,000	Aid to local government	332,563,482	209,631,792	(235,000,000)	307,195,274	361,311,119
18,300,000	Interest on public debt	28,329,459			28,329,459	16,917,773
15,700,000	Other	75,929,089	893,224,562	(864,566,335)	104,587,316	145,122,749
7,688,700,000	Total expenditure	**7,469,667,609**	**1,715,950,836**	**(1,672,323,678)**	**7,513,294,767**	**7,087,470,147**
(358,000,000)	Net Revenue (Expenditure) for the Year	**(141,921,771)**	**(842,283,223)**		**(984,204,994)**	**(184,021,474)**

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[1] **Adjustments of $1,672,323,678 are composed of transfers to the Farm Income Assurance Fund — $29,341,566, Revenue Sharing Fund — $235,000,000, Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund — $2,251,782, General Fund (from the Resource Revenue Stabilization Fund) — $541,163,995, and the *Special Appropriations Act* (S.B.C. 1982, chapter 40) — $864,566,335**

The accompanying notes and supplementary schedules are an integral part of these financial statements

COMBINED STATEMENT OF CHANGES IN CASH AND TEMPORARY INVESTMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983

	1983		1982	
	$		$	
Balance—Beginning of Year		832,054,246		833,308,989
Operating Transactions				
Revenue	6,529,089,773		6,903,448,673	
Expenditure	7,513,294,767		7,087,470,147	
Net expenditure	(984,204,994)		(184,021,474)	
Add Non-cash items included in net revenue (expenditure) (see below)	(154,462,773)		157,471,916	
Cash items applicable to future operations (see below)	(32,834,968)		25,965,054	
Used for operations		(1,171,502,735)		(584,504)
Financing Transactions				
Receipts				
Mortgage principal repayments	23,740,186		25,422,169	
Repayment of investments in and advances to Crown corporations	51,138,105		63,137,407	
Property sales—net	1,504,538		3,628,096	
Repayments of other assets	15,321,778		32,816,644	
Debt issue	976,100,000		—	
	1,067,804,607		125,004,316	
Payments				
Mortgages issued	89,901,563		26,646,249	
Investments in and advances to Crown corporations	25,127,047		60,804,294	
Investments in other assets	54,676,611		12,124,012	
Debt retirement	276,100,000		26,100,000	
	445,805,221		125,674,555	
Derived from financing transactions		621,999,386		(670,239)
Decrease in Cash and Temporary Investments		(549,503,349)		(1,254,743)
Balance—End of Year		282,550,897		832,054,246
Non-Cash Items Included in Net Revenue (Expenditure):				
Change in accounts receivable	(152,286,693)		(78,830,875)	
Change in due from Crown corporations	(2,561,611)		(21,659,888)	
Change in inventories	(7,265,146)		(281,331)	
Change in accounts payable and due to Crown corporations	7,650,677		233,224,266	
British Columbia Resources Investment Corporation—Donation of shares			25,019,744	
	(154,462,773)		157,471,916	
Cash Items Applicable to Future Operations				
Change in prepaid program costs	(54,292,577)		(34,218,827)	
Change in deferred revenue	21,457,609		60,183,881	
	(32,834,968)		25,965,054	

This statement shows how the activities of the Province have been financed including

—the extent to which funds have been generated from operating transactions (being those activities which affect operating results) and financing transactions (being those activities which affect assets and liabilities but not the operating results),

—how the financial resources of the Province have been used, and

—the effects of these activities on the liquid funds (being cash and temporary investments) of the Province

The accompanying notes and supplementary schedules are an integral part of these financial statements

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983

1. Significant Accounting Policies

(a) REPORTING ENTITY

These financial statements include the transactions and balances of the General Fund and Special Purpose Funds which combined are known as the Consolidated Revenue Fund. They do not include the accounts of Crown corporations, except to the extent of investments or advances which are carried at the lower of cost or underlying net book values. Separate consolidated financial statements of the Province are prepared which include the activities of certain of these entities. (*See* Section C.)

For purposes of these financial statements the accounts of the Province are presented as one Consolidated Revenue Fund, which is comprised of:

- General Fund—it includes all transactions of the Government not otherwise earmarked by legislative action, including the accounts of the British Columbia Liquor Distribution Branch, the Queen's Printer and the Purchasing Commission; and
- Special Purpose Funds—these are comprised of all amounts set aside from the General Fund by special disposition of the Legislature for specific purposes.

Trust Funds Under Administration—in addition, the combined balance sheet discloses, on a memorandum basis, trust funds administered by the Government but over which it has no power of appropriation including trust deposits, sinking funds, certain assurance funds and superannuation funds. (*See* Section D for details.)

(b) PRINCIPLES OF COMBINATION

The accounts of the General Fund are combined with the Special Purpose Funds after adjusting them to conform with the accounting policies as described below. General Fund expenditures are recorded in accordance with legislative authority. Inter-fund revenue and expenditure transactions are not eliminated from the General Fund accounts (detailed in Section B), but they are eliminated upon combination.

(c) BASIS OF ACCOUNTING

The accrual basis of accounting is used which, for these combined financial statements, is specifically expressed as follows:

Revenue:

Payments to the Province from the Federal Government under the *Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977*, including certain taxes on income, are recorded on a cash basis because of the impracticality and uncertainty involved in their estimation. With this exception, all revenue is recorded on an accrual basis.

Expenditure:

All expenditures, including the cost of fixed assets, are recorded for goods received and services rendered during the year. Accumulated employee sick leave, vacation and other entitlements are recorded as expenditures in the accounts when paid. With this exception, expenditures are recorded on an accrual basis.

Grants are recorded as expenditures. Conditional or fee for service types of grants are recorded when the goods or services have been received or when conditions of a contract have been fulfilled. Unconditional grants, which do not require fulfillment of any terms of a contract before payment, are recorded at the time the funds are disbursed.

Recoveries of expenditure may be permitted as a credit to the appropriate expenditure account when:

(a) they can be specifically identified with the expenditure transactions and payment has actually been made from an appropriation;
(b) prior Treasury Board approval has been given and they have been properly disclosed in the *Estimates;* and,
(c) the expenditure to which they relate was incurred in the same fiscal year.

Assets:

All assets are recorded to the extent that they represent claims upon outside parties or items held for resale to outside parties as a result of events and transactions prior to the year-end. Rental payments for leases which transfer the benefits and risks incident to the ownership of certain assets are reported as expenditures at the dates of inception of the leases.

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

1. Significant Accounting Policies—Continued

Liabilities:

All liabilities are recorded to the extent that they represent claims payable to outside parties as a result of events and transactions prior to the year-end.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at the year-end. Foreign currency transactions are translated to Canadian dollars at the exchange rate prevailing at the date of the transaction. Adjustments arising as a result of foreign currency translation are charged or credited to expenditure at the time the adjustments arise.

(d) SPECIFIC POLICIES

Cash and Temporary Investments

Cash balances are shown after deducting outstanding cheques issued prior to the year-end. Those issued subsequent to the year-end relating to the previous year are included with accounts payable.

Temporary investments represent short-term investments, including those of Crown corporations, made to obtain a return on a temporary basis.

Temporary investments are recorded at the lower of cost or market value.

Accounts Receivable

All amounts receivable at the year-end for work performed, goods supplied or services rendered are recorded as part of the revenue of the fiscal year. Provision is made where collectibility is considered doubtful.

Due From Crown Corporations and Agencies

Amounts due from Crown corporations and agencies represent advances which will be realized in the following year. No provision for doubtful collection has been considered necessary with respect to these accounts.

Mortgages Receivable

Mortgages receivable are secured by real estate and are repayable over periods ranging up to thirty years. Provision is made where collectibility is considered doubtful.

Prepaid Program Costs

Prepaid program costs represent expenditures made during the fiscal year for work to be performed, goods to be supplied, services to be rendered or contractual obligations to be fulfilled by outside parties in a subsequent fiscal year.

Inventories

Inventories comprise items held for resale and are recorded at the lower of cost or net realizable value. Inventories of supplies are charged to the respective programs when the cost is incurred.

Investments in and Advances to Crown Corporations

Investments in and advances to Crown corporations represent long-term investments and are recorded at cost unless significant impairment in value has occurred since the acquisition date, in which case they are written down to recognize this loss in value.

Property Under Development

Property under development is comprised of all property which will eventually be sold to outside parties. Such property is recorded at the lower of cost or net realizable value.

Fixed Assets

Disbursements for fixed assets are recorded as expenditures in the year the assets are received. Consistent with the reporting of fixed assets as expenditures, highways, bridges, wharves, ferries and ferry landings, buildings, office equipment, furniture, automobiles and 76 million hectares (293,000 square miles) of Crown land comprised of parks, forests and all other publicly held land in the Province are recorded at a nominal value of $1.

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

1. Significant Accounting Policies—Continued

Other Assets

Other assets include loans, investments and advances which are recorded at cost and adjusted for any permanent impairment in value.

Accounts Payable and Accrued Liabilities

All amounts payable for work performed, goods supplied, services known to have been rendered or for charges incurred in accordance with the terms of a contract are recorded as part of the expenditure of the fiscal year.

Due to Crown Corporations and Agencies

Amounts due to Crown corporations and agencies represent liabilities incurred which are repayable in the following year.

Deferred Revenue

Deferred revenue represents amounts received prior to the year-end in payment of revenue that will be earned in subsequent fiscal years.

Guaranteed Debt

Guaranteed debt represents debt of municipalities and other governments, Provincial Crown corporations, agencies and private enterprises guaranteed by the Province as to net principal and accrued interest outstanding.

2. Cash and Temporary Investments

	1983	1982
Cash	$	$
Cash (overdrawn) at chartered banks in Canada	(353,088)	(165,815,321)
Cash in banks in England	62,180	8,267
Cash (overdrawn) at banks in United States	(148,876)	(282,504)
Cash on hand	4,461	17,777
	(435,323)	(166,071,781)
Temporary investments	426,388,136	1,094,394,250
	425,952,813	928,322,469
Less amounts applicable to Trust Funds (*see* Section D)	(143,401,916)	(96,268,223)
	282,550,897	832,054,246

Other than statutory requirements or administrative policies which specifically provide for the maintenance of separate bank accounts, the Government's cash balances and temporary investments are all held in General Fund bank and investment accounts. This facilitates cash management and administration, although interest due to funds other than the General Fund is allocated or paid to those funds at market rates. At year-end, balances applicable to funds outside the Consolidated Revenue Fund are deducted from the General Fund balance and reported in the other fund accounts.

Included in temporary investments are bonds and notes of certain Crown corporations amounting to $77,061,279 (1982: $276,464,704).

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

3. Accounts Receivable

	1983			1982
	Gross	Provision For Doubtful Accounts	Net	Net
	$	$	$	$
Government of Canada	36,963,400	217,103	36,746,297	57,361,113
British Columbia municipalities—re: shared-cost programs	31,606,021	153,814	31,452,207	3,085,286
Taxes receivable	207,316,069	8,048,815	199,267,254	186,112,181
Timber royalty and stumpage and range fees	49,961,748	6,956,335	43,005,413	39,178,627
School districts, library districts, improvement districts, water districts, co-operative associations, local areas and other	193,444,050		193,444,050	54,663,798
Ministerial advances and sundry agencies	3,928,265		3,928,265	4,466,758
Trade accounts and other receivables of the—				
Crown Land	1,578,836		1,578,836	24,866,190
British Columbia Liquor Distribution Branch	586,537		586,537	680,165
Provincial Home Acquisition				3,405,000
Queen's Printer	208,827		208,827	335,057
Lottery Fund	8,100,431		8,100,431	3,108,664
Farm Income Assurance Fund	22,096,749		22,096,749	14,661,380
Accrued interest receivable	11,798,425	54,879	11,743,546	23,038,100
Land sales—principal	4,744,841	85,010	4,659,831	5,094,748
Water and power licence fees	510,368		510,368	348,760
Court fees	6,842,040	2,650,000	4,192,040	6,508,669
Sundry fees	19,706,732	3,009,559	16,697,173	8,358,615
Financial Administration Act, Sec. 22	7,643,822		7,643,822	
Miscellaneous accounts receivable	2,788,668	680,648	2,108,020	409,862
	609,825,829	21,856,163	587,969,666	435,682,973

4. Due From Crown Corporations and Agencies

	1983	1982
	$	$
British Columbia Assessment Authority	8,788	
British Columbia Buildings Corporation	11,440,036	20,524,109
British Columbia Cellulose Company	11,793	
British Columbia Development Corporation	1,115,981	6,101
British Columbia Educational Institutions Capital Financing Authority		1,110,067
British Columbia Ferry Corporation	1,745,930	3,289,072
British Columbia Health Care Research Foundation	7,217	
British Columbia Heritage Trust	8,381	
British Columbia Hydro and Power Authority	12,689,861	8,323,878
British Columbia Petroleum Corporation	60,360,916	56,901,204
British Columbia Railway Company	231,459	
British Columbia School Districts Capital Financing Authority		6,753
British Columbia Steamship Company (1975) Ltd.	8,514	
British Columbia Systems Corporation	432,515	2,844,246
British Columbia Transit	864,600	
Expo 86 Corporation	219,315	
Health Facilities Association of British Columbia	20,540	
Insurance Corporation of British Columbia	3,631,595	920,986
Legal Services Society	1,724,000	
Medical Services Commission of British Columbia	2,723,863	359,215
Provincial Capital Commission	11,312	
University of British Columbia	98,470	
Workers' Compensation Board of British Columbia	2,386,510	1,518,128
Other	5,889	1,382,115
	99,747,485	97,185,874

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

5. Mortgages Receivable

	1983	1982
	$	$
Crown Land—first mortgages, fully secured, with terms of up to 30 years and interest rates varying from 4% to 22¼%	36,017,100	34,753,258
Provincial Home Acquisition—first and second mortgages pursuant to the *Provincial Home Acquisition Act* and the *Home Conversion and Leasehold Loan Act*, fully secured, with terms of up to 25 years and interest rates varying from 8¼% to 15% (net of provision for doubtful recoveries of $500,000)	214,298,039	149,400,504
	250,315,139	184,153,762

6. Prepaid Program Costs

	1983	1982
	$	$
Hospital Insurance Act	23,333,800	
Guaranteed Available Income for Need Act	56,831,444	32,676,327
Other	8,346,160	1,542,500
	88,511,404	34,218,827

7. Inventories

	1983	1982
	$	$
British Columbia Liquor Distribution Branch	39,893,813	35,175,457
Ministry of Education	275,716	244,019
Ministry of Environment	559,517	406,355
Ministry of Finance	2,425,820	
Ministry of Health	1,196,036	2,251,122
Ministry of Labour	164,643	33,632
Ministry of Municipal Affairs	1,500	
Ministry of Provincial Secretary and Government Services	858,686	
	45,375,731	38,110,585

8. Investments in and Advances to Crown Corporations

	1983			1982
	Shares and Other Investments	Advances	Total	Total
	$	$	$	$
British Columbia Buildings Corporation		80,764,108	80,764,108	105,132,734
British Columbia Cellulose Company	2		2	2
British Columbia Development Corporation	42,500,000	15,481,000	57,981,000	42,500,000
British Columbia Ferry Corporation	5,849,700		5,849,700	5,849,700
British Columbia Harbours Board				10,000,000
British Columbia Housing Management Commission				4,609,474
British Columbia Hydro and Power Authority	8,070,096		8,070,096	8,070,096
British Columbia Place Ltd.				1
British Columbia Railway Company	10,235,001		10,235,001	10,235,001
British Columbia Steamship Company (1975) Ltd.	5		5	5
British Columbia Transit		55,000,000	55,000,000	55,000,000
Housing Corporation of British Columbia	1		1	1
Pacific Coach Lines Ltd.	2		2	2
Provincial Rental Housing Corporation	633,512	28,710,062	29,343,574	31,857,531
Surrey Farm Products Investments Limited	1		1	1
	67,288,320	179,955,170	247,243,490	273,254,548

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

8. Investments In and Advances to Crown Corporations—Continued

(a) Recorded Investments

The above amounts are the Province's recorded investments in and advances to Crown corporations. The entire issued capital stock for each of the above recorded investments is owned by the Province. In addition, a number of other Crown corporations and agencies exist in which the Province has no recorded investment. Crown corporations and agencies are listed in the Schedule of Crown Corporations and Agencies in the Consolidated Financial Statements.

(b) British Columbia Railway Company

The Province holds the entire issued share capital of the British Columbia Railway Company (the Railway) and, pursuant to the *British Columbia Railway Finance Act* (formerly the *British Columbia Railway Construction Loan Act*), guarantees the payment of the principal and interest on all monies borrowed by the Railway. The historic cost of the shares is $230,572,900 and, at March 31, 1983 the amount of the debt guaranteed by the Province (net of sinking funds) was $876,650,456.

During the year ended March 31, 1980, in view of the cumulative deficit of the Railway, the Province's investment, which amounted to $185,572,900 at March 31, 1980, was written down to one dollar. An additional investment of $45 million made in March, 1982 has been written off.

During the year ended March 31, 1982 the Government provided $70 million to be applied against the historic debt service charges of the Railway for its fiscal year ended January 1, 1982. The Government has provided an additional $70 million in the current year and intends to provide for the historic debt service charges on an ongoing basis.

The Railway's historic debt service charges for each of the next five fiscal years ending March 31, 1984 through 1988 are estimated to be $78.1, $78.1, $77.9, $78.5 and $77.0 million respectively.

(c) Ocean Falls Corporation

The Province, through Ocean Falls Corporation (the Corporation), is the owner of the newsprint mill and townsite at Ocean Falls, which were acquired in 1973 for a payment of $789,952. In subsequent years, the Province made additional advances to the Corporation which, together with accrued interest, approximated $12 million at March 31, 1980. Because of continuing losses incurred by the Corporation, both the investment and advance were fully provided for in the 1979/80 Public Accounts and written off by Order in Council in the 1980/81 fiscal year. After the debt to the Province had been forgiven, the Corporation had outstanding obligations of approximately $40 million at March 31, 1983.

No provision has been made in these financial statements for the existing liabilities of the Corporation. However, in order to prevent the accumulation of interest on the Corporation's loans, arrangements were continued during the year with a financial institution under which the Government maintains a deposit account equal to the Corporation's loan. No interest is to be earned on this deposit. In turn no interest is to be charged on the Corporation's loans. This arrangement will be maintained until a final evaluation of the Corporation's business is made.

(d) Housing Corporation of British Columbia

The operations of the Corporation are in the process of voluntary liquidation and the investment of $6,699,760 at March 31, 1980 has been recovered. Pending dissolution the investment is carried at a nominal value of $1.

9. Property Under Development

	1983	1982
	$	$
Crown Land—real estate	64,502,224	66,006,762

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

10. Other Assets

	1983	1982
	$	$
Investments—		
British Columbia Regional Hospital Districts Financing Authority	12,000,000	12,000,000
British Columbia School Districts Capital Financing Authority	44,071,501	44,071,501
British Columbia Resources Investment Corporation	1,823	
British Columbia Housing and Employment Development Financing Authority	935,838	
W.L.C. Development Ltd.	1	
Loans under the—		
Farm Product Industry Act	1,770,276	1,842,728
Ministry of Industry and Small Business Development Act	61,374,665	59,098,890
Agricultural Land Development Act	19,395,812	19,040,180
Oyster Seed Program	27,401	43,931
Advances—		
City of Penticton	150,000	150,000
University Endowment Lands	4,184,887	4,184,887
British Columbia Central Credit Union under Housing Initiative Program Agreement	172,215,965	183,245,637
Homeowner Assistance Act	39,198,096	
Agricultural Land Commission Act	641,775	
Unamortized discount on Treasury Bills	8,720,920	
Other		18,237
	364,688,960	323,695,991
Less provision for doubtful accounts	(38,945,213)	(37,307,077)
	325,743,747	286,388,914

The provision for doubtful accounts is comprised of—*Farm Products Industry Act* ($1,099,999), *Ministry of Industry and Small Business Development Act* ($33,649,871), University Endowment Lands ($4,184,887) and Other ($10,456)

11. Due To Crown Corporations and Agencies

	1983	1982
	$	$
British Columbia Assessment Authority	20,470	
British Columbia Development Corporation	927,000	
British Columbia Ferry Corporation	6,075,689	
British Columbia Housing Management Commission	197,696	
British Columbia Hydro and Power Authority		7,796,175
British Columbia Petroleum Corporation	510,583	510,583
British Columbia Transit (formerly Urban Transit Authority)		2,122,958
Health Facilities Association of British Columbia	1,255,110	
Insurance Corporation of British Columbia	3,896,893	
Legal Services Society	1,900,000	
Simon Fraser University	1,276,191	828,085
University of British Columbia	3,330,684	2,687,615
University of British Columbia Health Sciences Centre	26,473	
University of Victoria	940,596	860,240
	20,357,385	14,805,656

12. Deferred Revenue

	1983	1982
	$	$
Taxation—Property tax	6,288,520	
Natural Resources Revenue		
Minerals—permits and fees	19,041,000	15,351,694
Water resources—water rentals and recording fees	43,934,002	39,333,606
Timber sales	5,148,615	
Miscellaneous forest receipts	538,831	
Other Revenue		
Beautiful British Columbia Magazine	1,073,250	902,062
Land leases	2,963,212	3,551,529
Miscellaneous sales and services	1,683,399	1,561,968
Contributions From Other Governments		
Canada—Canada Assistance Plan	7,712,328	9,113,022
—Other Shared Cost Programs	2,888,333	
	91,271,490	69,813,881

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

13. Unmatured Debt

	1983	1982
	$	$
9.125% bonds, interest payable semi-annually, repayable in annual instalments of $26,100,000 through 1987, plus a final $26,547,790 on maturity in 1988	157,047,790	183,147,790
11.375% bonds, interest payable semi-annually, repayable on maturity in 1988	26,100,000	
91-day Treasury Bills, issued at an average interest cost of 9.65%	700,000,000	
	883,147,790	183,147,790

See Schedule of Unmatured Debt on B 44 for further details.

14. Contingencies and Commitments

(a) Guaranteed Debt

Guaranteed debt as at March 31, 1983 totalled $11,427 million. Included in guaranteed debt is the debt of municipalities and other local governments, Provincial Crown corporations and private enterprises guaranteed by the Province as to net principal and accrued interest outstanding. See Schedule of Guaranteed Debt on B 42 for details.

(b) Contingent Liabilities

The Government has various contingent liabilities outstanding in the form of litigation, indemnities, indirect guarantees and outstanding claims. Because such amounts are uncertain, no liability has been recorded in these financial statements.

(c) Commitments

General

In addition, at the end of each year the Government has a number of general commitments outstanding for ongoing programs and operations. Such future expenditures are charged to the appropriation in the year in which the work or service is performed. These include a liability for credits frozen under the Government's former sick leave plan which is estimated at a maximum of $75 million and commitments for capital construction projects totalling approximately $90 million.

British Columbia Railway Company—Tumbler Ridge Branch Line

The British Columbia Railway Company (the Railway) is constructing the Tumbler Ridge Branch Line for the North East Coal Project to be completed in 1983 at a total estimated construction cost of $455 million (exclusive of interest). It is the intent of the Province to ensure that the Railway fully recovers the project's construction costs by contributing equity capital financing as permitted by economic conditions. The Province will recover a portion of these costs from revenue generated by this project.

Until such time as the project's construction costs are fully recovered by the Railway, the Province intends to ensure that the Railway recovers the financing costs related to this project by:

—subscribing for equity capital equivalent to the amount of interest capitalized by the Railway to the date of operations of the line, and

—subsequent to the date of operations, providing annual grants equivalent to the amount of interest charged by the Railway to its operations.

The Province subscribed for equity capital of $45 million during the 1981/82 fiscal year and an additional $16 million on July 1, 1983 which reimburses the Railway for capitalized interest incurred.

The Railway will incur, in relation to this project, the cost of additional coal related rolling stock and equipment as well as the cost of upgrading other facilities and improving lines in addition to the Tumbler Ridge Branch Line. It is anticipated that the Railway will recover these costs from increased revenues generated by this project. However, the Province has assured the Railway that if revenues are not sufficient to cover these costs that the Railway will be kept whole.

(d) Superannuation and Pension Actuarial Valuations

The Government has statutory responsibility for unfunded liabilities of the Public Service Superannuation Fund and the Teachers' Pension Fund as follows:

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

14. Contingencies and Commitments—Continued

(d) Superannuation and Pension Actuarial Valuations—Continued

	Public Service Superannuation as at March 31, 1980	Teachers Pension as at December 31, 1980
Assets	$	$
Fund	1,069,594,000	716,697,000
Present value of future contributions	1,071,750,000	1,805,273,000
	2,141,344,000	2,521,970,000
Unfunded Liability	631,172,000	1,019,270,000
Total Actuarial Liability	2,772,516,000	3,541,240,000
Next valuation will be	March 31, 1984	December 31, 1984

Key actuarial assumptions on which these balance sheets are based differ. Major assumptions include the amount of salary growth, the interest rate on fund assets, mortality rates, withdrawal rates and retirement age.

For the Public Service Superannuation Fund the actuarial report indicates that present funding levels would amortize the unfunded liability in 30 years. However, the *Pension (Public Service) Amendment Act, 1983* which received first reading on July 7, 1983 changes the contribution method to one under which the unfunded liability is never amortized but remains at about a constant proportion of total payrolls.

Teachers' Pension Funds uses a contribution method under which the unfunded liability is never amortized but remains at about a constant proportion of total payrolls. The actuarial report indicates that the unfunded liability was not a threat to the continued payment of pensions nor to the financial health of the plan.

See Section H of the Public Accounts for further details of these plans.

15. Workers' Compensation Board of British Columbia—Unfunded Liability

The Workers' Compensation Board of British Columbia, established under the *Workers Compensation Act*, delivers compensation and preventive medical services, sets and controls working conditions throughout the Province and provides education and rehabilitation services to injured employees. The Board funds its operations from assessments on businesses throughout the Province.

The Board is required in each year to provide capitalized reserves under the Accident and Silicosis Funds sufficient to meet payments of compensation accruing in future years in respect of all injuries occurring during the year. Provisions have proven to be insufficient and at December 31, 1982 cumulative actuarial liabilities exceeded the funded balances by approximately $504 million. The balance of the unfunded liability now exceeds one year's total class income.

16. Subsequent Events

Ocean Falls Corporation

During the 1983 summer session of the Legislature the Government introduced the *Ocean Falls Corporation Repeal Act*, (Bill 30). The purpose of this Act, which is to come into force by regulation of the Lieutenant Governor in Council, is to dissolve the Ocean Falls Corporation and to transfer its property and liabilities to the Crown.

British Columbia Cellulose Company

During the 1983 summer session of the Legislature the Government introduced the *British Columbia Cellulose Company Repeal Act* (Bill 29) which was to dissolve the Company and transfer all properties and liabilities to the Crown. The Act is to come into force by regulation of the Lieutenant Governor in Council.

British Columbia Harbours Board

During the 1983 summer session of the Legislature the Government introduced the *Harbour Board Repeal Act* (Bill 25) which is to dissolve the British Columbia Harbours Board and to provide for the transfer of its assets to the British Columbia Development Corporation and the British Columbia Railway Company.

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

16. Subsequent Events—Continued

Pacific Coach Lines Ltd.

In the budget speech of July 7, 1983 the Government announced its intention to sell Pacific Coach Lines Ltd. and is presently in the process of negotiating the sale.

British Columbia Systems Corporation

The Government has announced its decision to sell the British Columbia Systems Corporation. Details of the sale have not been finalized.

Fiscal Stabilization Program

The Province has made a claim against the Federal Government under Part II of the *Federal-Provincial Fiscal Arrangements and Established Programs Financing Act*, 1977. This Part provides authority for payments to be made by the Federal Government to a province in respect of any year in which the province's revenues from its own sources decline from the level of the previous year by an amount in excess of the levels defined by the Act and Regulations. Final settlement to the Province must be made no later than May 31, 1985, and will be credited to revenue in the year in which it is received.

17. Special Purpose Funds

Pursuant to the *Special Appropriations Act* (S.B.C. 1982, chap. 40), most of the special purpose funds, with balances totalling $864,566,335 at March 31, 1982, were replaced with special accounts within the general fund effective April 1, 1982. The Act amended or repealed the legislation under which these funds were created and established legislative authority to pay equivalent amounts from the general fund portion of the consolidated revenue fund.

18. Comparatives

Certain of the comparative figures for the year ended March 31, 1982 have been reclassified to conform with the current year's presentation. These reclassifications have had no effect on the operating results as previously reported.

SCHEDULE OF COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS REVENUE BY SOURCES FOR THE FISCAL YEARS ENDED MARCH 31

	1979	1980	1981	1982	1983
	$	$	$	$	$
Taxation Revenue	(unaudited)	(unaudited)			
Personal income	1,220,087,814	1,215,963,618	1,369,211,996	1,848,153,074	2,008,152,085
Corporation income	301,470,437	434,676,109	456,608,866	579,997,631	188,550,277
Social services	650,603,378	655,502,747	757,974,947	1,129,542,193	999,449,345
Gasoline	175,458,113	191,829,815	202,536,160	331,657,359	348,718,971
Motive-fuel use	22,402,440	25,762,109	28,983,775	39,729,670	40,254,002
Fuel oil	2,306,297	2,197,075	16,763		
Cigarette and tobacco	63,578,662	66,837,073	73,654,794	102,883,691	109,109,479
Corporation capital	44,770,616	47,262,823	53,676,696	89,779,068	83,833,538
Property	19,327,638	23,949,797	25,961,274	43,437,585	40,745,157
Insurance premiums	13,534,904	15,791,601	17,484,993	20,210,237	21,141,440
Hotel and motel room	9,772,099	12,306,581	15,487,945	23,672,817	22,550,007
Pari-mutuel betting	6,748,736	8,443,861	6,035,987	7,618,292	7,164,243
Succession and gift	(285,912)	859,385	936,688	14,216	
Total Taxation Revenue	**2,531,775,222**	**2,701,382,594**	**3,008,570,884**	**4,216,695,833**	**3,869,668,544**
Natural Resource Revenue—					
Minerals—					
Petroleum and natural gas—					
British Columbia Petroleum Corporation	184,979,270	309,644,218	208,326,333	219,922,383	96,048,923
Permits and fees	155,457,896	229,784,585	156,459,474	69,793,298	49,253,175
Royalties	41,568,986	48,055,392	50,896,824	67,164,102	83,523,655
Revenue from other minerals	41,455,566	69,504,443	119,593,185	62,454,453	32,454,641
	423,461,718	656,988,638	535,275,816	419,334,236	261,280,394
Forests—					
Logging tax	50,683,968	44,056,735	45,556,100	12,276,852	2,074,182
Timber sales	284,408,485	561,705,030	233,525,954	78,442,028	64,700,259
Forest scaling fees	10,297,455	11,807,788	9,085,999	7,337,736	5,738,935
Other forest revenue	16,569,645	26,670,430	12,122,787	8,666,143	10,391,964
	361,959,553	644,239,983	300,290,840	106,722,759	82,905,340
Water resources	15,238,851	22,366,439	20,157,482	64,990,853	187,429,850
***Wildlife Act*—fees and licences**	5,810,802	6,267,798	6,214,134	6,555,038	10,935,035
Total Natural Resource Revenue	**806,470,924**	**1,329,862,858**	**861,938,272**	**597,602,886**	**542,550,619**
Other Revenue—					
Sales and services—					
Farm income assurance	12,414,182	7,435,622	8,939,518	43,305,107	28,338,001
Lottery	1,472,835	16,049,465	25,424,417	25,913,997	28,137,960
Land registry	27,225,471	33,376,187	36,399,084	31,161,375	27,056,219
Land leases, rentals and fees			9,518,087	8,104,305	17,119,741
Other	74,143,244	50,040,627	45,560,825	69,879,676	49,704,795
	115,255,732	106,901,901	125,841,931	178,364,460	150,356,716
Licences and permits—					
Motor vehicle licences and permits	61,321,112	67,927,334	81,561,138	103,504,451	102,107,910
Other	27,337,750	29,713,041	35,961,487	41,832,114	44,045,671
	88,658,862	97,640,375	117,522,625	145,336,565	146,153,581
Fines and penalties	11,238,761	12,807,290	14,709,493	19,014,445	15,250,866
Interest from investments	101,711,641	161,617,011	225,716,888	211,475,421	91,321,248
Recoveries of grants and contributions			2,182,223		
British Columbia Place Ltd.—dividends, non-recurring recovery of previous grants					65,000,000
British Columbia Cellulose Company—dividends					5,000,000
Miscellaneous	12,643,526	29,974,946	46,980,182	93,283,860	71,842,571
Total Other Revenue	**329,508,522**	**408,941,523**	**532,953,342**	**647,474,751**	**544,924,982**

SCHEDULE OF COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS REVENUE BY SOURCES FOR THE FISCAL YEARS ENDED MARCH 31—Continued

	1979	1980	1981	1982	1983
	$	$	$	$	$
	(unaudited)	(unaudited)			
Contributions from Government Enterprises—					
Liquor Distribution Branch	206,177,322	222,494,242	274,548,747	315,839,210	337,854,900
British Columbia Buildings Corporation	10,000,000	18,342,410	17,045,000	8,005,000	
British Columbia Systems Corporation	2,228,587	237,000	1,522,000	2,676,000	
Total Contributions from Government Enterprises	**218,405,909**	**241,073,652**	**293,115,747**	**326,520,210**	**337,854,900**
Contributions from Other Governments—					
Canada—					
Established programs financing	482,929,000	593,409,000	638,388,000	643,861,000	652,360,000
Canada assistance plan	204,111,652	254,873,813	312,856,926	320,167,884	460,005,833
Statutory and other subsidies	2,116,848	2,116,848	7,352,468	7,595,929	9,232,574
Other shared costs and grants in aid	103,508,019	144,128,881	117,927,500	110,692,549	94,025,647
Subtotal, Canada	792,665,519	994,528,542	1,076,524,894	1,082,317,362	1,215,624,054
Municipal and other governments share	25,448,537	29,037,644	29,621,903	32,837,631	18,466,674
Total Contributions from Other Governments	**818,114,056**	**1,023,566,186**	**1,106,146,797**	**1,115,154,993**	**1,234,090,728**
Total Gross Revenue	**4,704,274,633**	**5,704,826,813**	**5,802,725,042**	**6,903,448,673**	**6,529,089,773**
Reconciliation with Summaries of Revenue—					
General Fund	4,629,017,267	5,612,336,143	5,699,889,486	6,773,703,062	7,327,745,838
Less transfers from Special Purpose Funds			(12,660,764)	(62,768,481)	(1,405,730,330)
Special Purpose Funds	215,344,784	485,458,486	636,046,302	488,913,886	873,667,613
Less transfers from General Fund	(140,087,418)	(392,967,816)	(520,549,982)	(296,399,794)	(266,593,348)
	4,704,274,633	**5,704,826,813**	**5,802,725,042**	**6,903,448,673**	**6,529,089,773**

SCHEDULE OF COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS EXPENDITURE BY FUNCTION FOR THE FISCAL YEARS ENDED MARCH 31

	1979	1980	1981	1982	1983
	$	$	$	$	$
General Government—	(unaudited)	(unaudited)			
Administrative—					
General	76,322,609	112,788,510	117,385,668	138,396,206	148,868,643
Employees' benefits	108,184,361	115,435,437	127,167,355	151,268,929	178,009,510
Construction and maintenance of public buildings	993	1,452,649	1,226,423	1,918,059	1,361,347
Legislative—					
Elections	2,664,423	6,359,555	1,249,087	3,023,831	6,218,331
Legislative Assembly and Government House	7,226,949	6,767,317	8,413,894	8,656,635	7,632,055
Total General Government	**194,398,335**	**242,803,468**	**255,442,427**	**303,263,660**	**342,089,886**
Protection of Persons and Property—					
Law enforcement	75,978,968	84,467,006	92,233,330	109,119,311	116,933,248
Corrections	64,079,810	72,621,713	80,054,935	84,846,362	96,397,224
Police protection	33,247,328	40,776,710	47,555,148	53,867,612	67,133,912
Registration, regulation, inspection, trusteeship	63,812,814	63,221,331	66,354,945	70,893,660	71,227,116
Total Protection of Persons and Property	**237,118,920**	**261,086,760**	**286,198,358**	**318,726,945**	**351,691,500**
Transportation and Communications—					
Highways, roads, bridges and airports	419,689,347	430,785,752	470,423,809	483,312,836	429,024,872
Waterways, ferries, docks and wharves	21,717,384	26,440,536	27,071,097	54,764,375	39,804,475
British Columbia ferries	51,083,901	53,772,025	57,928,384	63,712,166	47,820,819
British Columbia railway	20,009,698	23,200,000	84,000,000	128,151,155	77,000,000
Total Transportation and Communications	**512,500,330**	**534,198,313**	**639,423,290**	**729,940,532**	**593,650,166**
Health and Social Services—					
Health—					
Administration	8,224,320	11,588,398	19,017,552	16,107,705	35,719,546
Public health	72,926,705	83,627,984	99,538,913	135,705,681	171,241,334
Medical, dental and allied services	291,829,733	377,775,219	462,443,017	567,816,751	636,218,363
Hospital care—					
Administration	4,197,025	6,063,905	6,489,577	7,349,853	7,548,013
Payments to local hospitals	631,555,170	733,422,806	971,110,988	1,095,164,258	1,254,323,444
Provincial mental hospitals	97,775,846	101,530,375	113,777,485	118,140,667	127,219,989
Social services—					
Administration	64,310,298	72,136,846	83,583,974	94,432,460	97,629,074
Aid to aged persons	28,064,538	25,450,776	30,424,335	34,989,579	40,679,136
Social assistance	441,328,020	527,386,109	621,143,192	698,607,841	884,382,117
Child welfare	58,997,787	66,016,702	83,927,614	104,349,121	135,066,344
Labour relations, industrial conciliation and arbitration	11,354,028	10,893,111	12,251,617	26,071,837	36,635,844
Total Health and Social Services	**1,710,563,470**	**2,015,892,231**	**2,503,708,264**	**2,898,735,753**	**3,426,663,204**
Recreation and Cultural Services—					
Archives, art galleries, museum and libraries	11,656,781	13,469,498	17,531,068	19,087,840	15,575,039
Parks, beaches and other recreational areas	46,986,881	41,760,790	46,398,233	46,899,806	33,641,376
Physical culture	5,869,239	6,848,744	7,624,107	4,217,607	3,136,070
Other	6,313,924	7,900,701	6,064,750	5,969,060	4,996,370
Total Recreation and Cultural Services	**70,826,825**	**69,979,733**	**77,618,158**	**76,174,313**	**57,348,855**

SCHEDULE OF COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS EXPENDITURE BY FUNCTION FOR THE FISCAL YEARS ENDED MARCH 31—Continued

	1979	1980	1981	1982	1983
	$	$	$	$	$
Education—	(unaudited)	(unaudited)			
Administration	7,899,202	6,699,475	7,599,854	8,612,075	13,912,306
Schools operated by local authorities—					
Operating grants	413,652,548	433,310,297	465,827,304	530,152,224	585,253,642
Home-owner grants (School-levy portion)	152,895,906	203,736,926	216,220,230	224,936,772	232,451,581
Aids and services	32,167,026	18,201,105	33,532,447	36,442,753	26,181,430
Universities, colleges, vocational and other schools	368,236,735	466,619,214	511,329,878	632,132,805	685,092,916
Independent schools	8,562,874	9,565,835	10,841,810	13,224,545	17,154,073
Education of the handicapped	7,179,001	2,748,740	3,537,955	8,061,693	5,316,646
Teachers' pensions and unemployment insurance	52,532,033	48,824,249	69,046,446	96,385,037	103,210,207
Total Education	**1,043,125,325**	**1,189,705,841**	**1,317,935,924**	**1,549,947,904**	**1,668,572,801**
Natural Resource and Primary Industries—					
Fish and game	15,282,201	19,660,930	15,262,230	16,294,798	16,108,804
Forests (including fire suppression)	131,287,142	163,635,360	183,515,133	229,389,679	241,260,813
Lands settlement and agriculture	74,861,447	59,901,882	100,523,937	177,684,905	145,407,337
Minerals and mines	15,034,487	12,312,270	20,822,162	22,888,474	18,662,329
Water resources	31,791,671	30,307,907	34,414,297	39,541,621	33,725,773
Other	9,266,017	16,527,817	8,360,472	1,745,750	
Total Natural Resource and Primary Industries	**277,522,965**	**302,346,166**	**362,898,231**	**487,545,227**	**455,165,056**
Trade and Industrial Development	**32,115,402**	**53,119,186**	**77,394,990**	**88,331,138**	**57,904,908**
Housing—					
Home-owner grants (nonschool-levy portion)	18,322,166	23,203,073	25,337,139	26,075,767	25,766,231
Home-acquisition grants	5,806,369	18,332,750	25,587,784	21,372,090	22,116,318
Renters' grants	16,754,877	15,293,456	21,688,625	21,627,785	22,044,034
Other	33,709,521	35,441,294	45,163,988	44,377,392	50,569,759
Total Housing	**74,592,933**	**92,270,573**	**117,777,536**	**113,453,034**	**120,496,342**
Aid to Local Government—					
Grants in aid of local government	179,720,872	176,289,842	218,483,744	264,733,057	212,557,750
Transit subsidy	6,856,665	25,136,184	72,853,435	89,757,666	86,408,473
Planning and development	2,657,997	2,582,839	3,136,542	3,677,394	4,659,742
University Endowment Lands	3,087,259	3,006,266	2,538,173	3,143,002	3,569,309
Total Aid to Local Government	**192,322,793**	**207,015,131**	**297,011,894**	**361,311,119**	**307,195,274**
Interest on Public Debt	**23,667,670**	**21,681,023**	**19,298,388**	**16,917,773**	**28,329,480**

SCHEDULE OF COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS EXPENDITURE BY FUNCTION FOR THE FISCAL YEARS ENDED MARCH 31—Continued

	1979	1980	1981	1982	1983
	$	$	$	$	$
Other Expenditure—	(unaudited)	(unaudited)			
Provincial Emergency Program	7,261,534	7,778,953	9,755,561	8,613,767	5,761,926
Disaster relief, training, and development aid in foreign countries	358,991	361,671	393,000	415,003	227,000
Special Employment Program	20,004,091	25,039,282	25,204,041	15,035,795	38,004,289
Interest on deposits and revenue refunds	5,281,877	8,759,964	13,920,532	17,766,471	1,552,448
Power subsidy	3,167,816	3,221,491			
Lottery Fund grants	12,979,676	11,563,565	11,634,227	16,132,831	28,658,227
Crown corporation grants and other payments	17,603,367	9,237,020	21,838,889	53,358,895	10,000,000
British Columbia Resources Investment Corporation—					
—Revaluation adjustment	(1,818,977)		22,004,858		
—Donation of investment				25,019,744	
—Share distribution to British Columbia residents		106,326,693			
Transfer of property to British Columbia Buildings Corporation				5,918,571	20,012,926
Sundry	196,197	576,748		2,861,672	370,500
Total Other Expenditure	**65,034,572**	**172,865,387**	**104,751,108**	**145,122,749**	**104,587,316**
Total Combined Expenditure	**4,433,780,540**	**5,162,963,812**	**6,059,459,587**	**7,087,470,147**	**7,513,294,767**
Reconciliation With Summaries of Expenditure—					
General Fund	4,390,443,127	5,351,686,182	6,278,937,580	6,868,665,092	7,469,667,609
Less transfers to Special Purpose Funds	(140,087,418)	(392,967,816)	(520,549,982)	(296,399,794)	(266,593,348)
Special Purpose Funds	183,424,831	204,245,446	313,732,753	577,973,330	1,715,950,836
Less transfers to General Fund			(12,660,764)	(62,768,481)	(1,405,730,330)
	4,433,780,540	**5,162,963,812**	**6,059,459,587**	**7,087,470,147**	**7,513,294,767**

SCHEDULE OF SPECIAL PURPOSE FUNDS TRANSACTIONS AND BALANCES FOR THE FISCAL YEAR ENDED MARCH 31, 1983

	Balance March 31, 1982	Revenue and Transfers[4-6]	Expenditures and Transfers[1]	Balance March 31, 1983
Perpetual Funds:				
British Columbia Cultural Fund—	$	$	$	$
Capital Account	20,000,000			20,000,000
Current Account	437,567	1,604,648	1,561,197	481,018
First Citizens' Fund—				
Capital Account	25,000,000			25,000,000
Current Account	2,509,260	2,076,687	2,616,280	1,969,667
Physical Fitness and Amateur Sports Fund—				
Capital Account	20,000,000			20,000,000
Current Account	604,900	1,617,809	1,053,756	1,168,953
	68,551,727	5,299,144	5,231,233	68,619,638
Other Funds:				
Agricultural Land Development Fund[2]	19,684,938		19,684,938	
Barkerville Historic Park Development Fund[2]	2,056,530		2,056,530	
Crop Insurance Stabilization Fund[2]	23,500,740		23,500,740	
Crown Land Fund[2]	332,375,363		332,375,363	
Downtown Revitalization Fund[2]	24,048,907		24,048,907	
Drug, Alcohol and Cigarette Education, Prevention and Rehabilitation Fund[2]	3,560,431		3,560,431	
Energy Development Fund[2]	7,604,813		7,604,813	
Farm Income Assurance Fund[4]	2,128,848	58,109,917	62,137,236	(1,898,471)
Farm Product Industry Fund[2]	4,445,776		4,445,776	
Forest and Range Resource Fund[2]	84,058,231		84,058,231	
Fraser River Crossing Fund[2]	40,378		40,378	
Habitat Conservation Fund	(569,998)	1,396,719	730,498	96,223
Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund[5]	17,600,148	4,531,787	2,265,893	19,866,042
Lottery Fund	29,999,659	28,137,960	30,223,854	27,913,765
North East Coal Development Fund[2]	11,469,841		11,469,841	
Provincial Computerization of Libraries Fund[2]	2,354,393		2,354,393	
Provincial Home Acquisition Fund[2]	345,662,913		345,662,913	
Resource Revenue Stabilization Fund[3]		541,163,995	541,163,995	
Revenue Sharing Fund[6]	5,470,344	235,000,000	209,631,792	30,838,552
Miscellaneous Statutory Accounts[2]	3,738,571	28,091	3,703,081	63,581
	919,230,826	868,368,469	1,710,719,603	76,879,692
Total Special Purpose Funds	**987,782,553**	**873,667,613**	**1,715,950,836**	**145,499,330**

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[1] Special Purpose Fund expenditures include amounts transferred as revenue to the General Fund as follows:

[2] Fund balances transferred to the General Fund of the Consolidated Revenue Fund by the *Special Appropriations Act* (S.B.C. 1982, chap. 40). Effective April 1, 1982 this Act dissolved these special funds and created appropriations operated as accounts within the General Fund. Total transferred to the General Fund by the Act was $864,566,335 including $3,703,081 from miscellaneous statutory accounts.

[3] All receipts of the Resource Revenue Stabilization Fund transferred to the General Fund by order of the Lieutenant-Governor in Council under section 4 of the *Resource Revenue Stabilization Fund Act*.

Special Purpose Fund revenues include amounts transferred as expenditures from the General Fund as follows:

[4] Farm Income Assurance Fund—$29,341,566.

[5] Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund—$2,251,782.

[6] Revenue Sharing Fund—$235,000,000.

SCHEDULE OF COMBINED GENERAL FUND AND SPECIAL PURPOSE FUNDS FOR THE FISCAL YEAR

Ministry	Salaries and Wages	Travel	Services	Utilities, Materials and Supplies
	$	$	$	$
Legislation	2,463,816	14,805	3,957,294	537,655
Auditor General	2,255,982	243,893	327,243	73,189
Ombudsman	1,163,604	51,105	155,282	69,179
Premier's Office	508,369	84,719	21,315	49,884
Agriculture and Food	16,458,815	1,562,920	2,310,349	1,630,694
Attorney General	131,263,295	5,057,488	103,912,386	15,117,337
Consumer and Corporate Affairs	12,736,045	528,772	2,384,877	867,336
Education	14,186,524	605,926	10,576,518	14,803,431
Energy, Mines and Petroleum Resources	11,505,908	1,107,343	5,851,621	937,824
Environment	43,806,314	4,160,965	9,846,863	5,902,758
Finance	52,505,986	1,214,647	11,967,584	4,136,364
Forests	122,802,263	5,196,974	22,135,536	23,218,302
Health	181,010,404	4,282,318	17,988,569	31,681,272
Human Resources	123,884,157	4,166,166	105,630,458	8,154,945
Industry and Small Business Development	6,549,444	476,471	4,717,072	625,133
Intergovernmental Relations	1,566,481	162,180	194,241	352,901
Labour	21,958,034	2,060,408	2,750,486	1,262,125
Lands, Parks and Housing	33,957,388	1,238,417	4,729,655	9,094,838
Municipal Affairs	3,434,734	264,686	403,090	179,483
Provincial Secretary and Government Services	42,287,869	1,066,265	18,394,819	21,231,188
Tourism	3,483,439	391,000	7,834,910	1,334,560
Transportation and Highways	175,222,263	8,356,846	17,459,043	93,073,456
Universities, Science and Communications	2,971,551	160,728	417,956	172,924
Other Expenditure				
***Employment Development Act*, Sec. 4**	723,482	4,390	26,657,167	68,249
***Financial Administration Act*, Sec. 22**				
***Less*: Transfers to Special Purpose Funds**				
Special Purpose Funds	862,291	92,306	43,140	1,001,152
***Less*: Transfers to General Fund**				
Combined Expenditure	1,009,568,458	42,551,738	380,673,474	235,576,179
Comparative—1982 Combined Expenditure	942,737,831	46,290,443	316,415,689	255,717,061

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[1] **Transfers to Special Purpose Funds of $266,593,348 include Agriculture (Farm Income Assurance) $29,341,566, Municipal Affairs (Revenue Sharing Fund) $235,000,000, and Industrial Development Subsidiary Agreement Loan Repayment Revolving $2,251,782.**

[2] **Transfer to the General Fund of $1,405,730,330 is composed of revenue from the Resource Revenue Stabilization Fund $541,163,995 and $864,566,335 transferred by the *Special Appropriations Act*, S.B.C. 1982, chap. 40.**

EXPENDITURE BY OBJECTS OF EXPENDITURE CLASSIFICATION (GROUPED) ENDED MARCH 31, 1983

Acquisition of Physical Assets	Rentals	Grants, Contributions and Subsidies	Other Expenditures	*Less:* Recoveries	Total Expenditures
$	$	$	$	$	$
	77,610	56,900	987		7,109,067
	198,202	28,500	14,932		3,141,941
	187,813				1,626,983
					664,287
495,927	5,468,239	21,950,653	33,955,243[1]	(2,040,807)	81,792,033
700,426	48,457,026	10,683,128	506,520	(5,907,755)	309,789,851
	2,357,257	217,650	19		19,091,956
328,594	2,606,184	2,091,697,859	4,053	(869,876,635)	1,264,932,454
143,978	2,398,769	3,764,553	14,772,016	(16,003,057)	24,478,955
8,531,616	11,413,333	1,546,808	28,840	(1,983,203)	83,254,294
148,364	4,691,534	11,446,938	175,692,484	(97,901,806)	163,902,095
5,306,790	56,298,071	1,776,000	666,093	(13,844,934)	223,555,095
1,888,996	36,027,612	2,030,897,046	6,154,860	(9,801,379)	2,300,129,698
384,670	24,658,943	827,774,729	18,782	(2,281,585)	1,092,391,265
	1,187,280	83,747,914	9,647,160		106,950,474[1]
10,900	61,859	66,525	57,363		2,472,450
313,085	3,036,122	537,411	49,913	(1,290,846)	30,676,738
2,014,077	4,774,257	43,872,073	15,209,157	(4,673,357)	110,216,505
	504,728	97,059,051	235,006,722[1]	(7,719,589)	329,132,905
858,049	14,296,906	7,878,515	163,355,301	(35,304,452)	234,064,460
67,140	848,180	732,745	42,983	(2,101,186)	12,633,771
163,231,842	68,057,910	55,918,293	117,392	(28,588,692)	552,848,353
327,460	26,680,507	348,190,214	13,249,154	(4,553,575)	387,616,919
575,000	2,308,855	32,892,174	72,345,979	(8,562,747)	127,012,549
		182,511			182,511
			(266,593,348)[1]		(266,593,348)
64,239	232,556	226,516,206	1,487,133,568[2]	(622)	1,715,950,836
			(1,405,730,330)[2]		(1,405,730,330)
185,391,153	316,829,753	5,899,434,396	555,705,843	(1,112,436,227)	7,513,294,767
285,501,797	283,510,750	4,780,181,768	625,736,119	(448,641,311)	7,087,[illegible],147

SCHEDULE OF RESOURCE REVENUE STABILIZATION FUND REVENUE BY SOURCE FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Estimated	Source	Revenue		
$		$	$	$
	Petroleum and Natural Gas:			
209,000,000	British Columbia Petroleum Corporation	96,048,923		
85,000,000	Permits and Fees	49,253,175		
81,000,000	Petroleum and Natural Gas Royalties	83,523,655		
375,000,000			228,825,753	
	Minerals:			
15,000,000	Mining Tax	4,767,412		
12,500,000	Mineral Resource Tax	(1,020,517)		
13,000,000	Mineral Land Tax	13,233,838		
7,000,000	Coal, Minerals and Metals Royalties	8,986,265		
15,000,000	Miscellaneous Mining Receipts	6,487,643		
62,500,000			32,454,641	
	Forests:			
5,000,000	Logging Tax	2,074,182		
110,000,000	Timber Sales	64,700,259		
11,000,000	Timber Royalties	5,070,273		
10,400,000	Forest Scaling Fees	5,738,935		
2,000,000	Miscellaneous Forest Receipts	5,321,691		
138,400,000			82,905,340	
165,000,000	**Water Rentals and Recording Fees**		187,429,850	
11,500,000	***Wildlife Act*—Fees and Licences**		9,548,411	
752,400,000	**Revenue of the Resource Revenue Stabilization Fund**			541,163,995
(752,400,000)	**Transfer to General Fund**			(541,163,995)
—	**Balance of Fund**			

SCHEDULE OF GENERAL FUND REVENUE BY SOURCE FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Estimated	Source	Revenue		
$		$	$	$
	Taxation Revenue:			
1,925,000,000	Personal Income		2,008,152,085	
501,000,000	Corporation Income		188,550,277	
1,240,000,000	Social Service		999,449,345	
422,000,000	Gasoline		348,718,971	
51,000,000	Motive Fuel Use		40,254,002	
114,000,000	Cigarette and Tobacco		109,109,479	
87,000,000	Corporation Capital		83,833,538	
38,000,000	Property		40,745,157	
23,000,000	Insurance Premiums		21,141,440	
29,000,000	Hotel Room		22,550,007	
8,000,000	Horse Racing		7,164,243	
4,438,000,000	**Total Taxation Revenue**			3,869,668,544
	Natural Resource Revenue:			
752,400,000[1]	Transfer from the Resource Revenue Stabilization Fund[2]			541,163,995
	Other Revenue:			
	Sales and Services			
5,400,000	Land Sales	3,011,922		
14,000,000	Land, Leases, Rentals and Fees	17,119,741		
13,500,000	Medicare Services Recoveries	11,660,599		
10,000,000	Real Estate Earnings of the Crown Land Special Purpose Account	5,023,962		
7,000,000	Motor Vehicle Lien and Search Fees	6,239,143		
5,650,000	Ambulance Service	7,529,097		
3,750,000	Ferry Revenue	3,929,514		
40,000,000	Land Registry Fees	27,056,219		
1,750,000	Sheriffs' Fees	2,012,188		
1,800,000	Property Tax Collection Fees	2,354,141		
1,000,000	Vital Statistics Fees	1,275,974		
1,500,000	Hearing Aid Equipment	1,258,177		
1,000,000	Sales of Maps and Airphotos	442,364		
1,200,000	Publications Service Branch			
1,250,000	University Endowment Lands Revenue	499,724		
6,050,000	Miscellaneous Sales and Services	4,467,990		
114,850,000[1]			93,880,755	
	Licences and Permits:			
119,000,000	Motor Vehicle Licences and Permits	102,107,910		
14,200,000	Liquor Licensing Branch—Permits and Fees	15,051,347		
12,000,000	Companies Branch	6,797,244		
5,365,000	Safety Inspecting Fees	3,919,020		
3,000,000	Law Stamps	4,249,332		
2,600,000	Camp-site Permits and Park Use	3,085,290		
2,500,000	*Fire Services Act*—Fees, etc	2,447,732		
2,770,000	Insurance, Brokers and Real Estate	2,383,674		
3,000,000	Public Health Inspection Fees			
1,100,000	Agricultural Licences	1,160,359		
1,835,000	Trade and Dealer Licences	757,811		
1,200,000	Mobile Home Registry	739,319		
5,430,000	Miscellaneous Licences and Permits	3,433,910		
174,000,000			146,132,948	
20,000,000	Fines and Penalties		15,250,866	
113,984,000	Interest from Investments		84,060,736	

SCHEDULE OF GENERAL FUND REVENUE BY SOURCE FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

Estimated	Source		Revenue	
$	**Other Revenue**—Continued	$	$	$
	Miscellaneous:			
	Institutional Maintenance Receipts:			
10,900,000	Maintenance of Children	11,857,026		
5,450,000	Other Maintenance Receipts	6,302,672		
16,350,000		18,159,698		
6,500,000	Insurance Claim Receipts	10,153,551		
22,850,000	Other Miscellaneous Revenue	36,575,308		
45,700,000			64,888,557	
	Non-recurring Recoveries:			
	British Columbia Place Ltd.—Dividends	65,000,000		
	British Columbia Cellulose Company—Dividends	5,000,000		
	Recovery of British Columbia Ferry Corporation—Sinking Fund	745,515		
	Recovery of Queensborough Bridge Account	427,648		
	Sale of Property to British Columbia Buildings Corporation	5,392,826		
	British Columbia Educational Institutions Capital Financing Authority	4,351		
	Special Purpose Funds Collapsed by *Special Appropriations Act*	864,566,335		
75,000,000			941,136,675	
543,534,000	**Total Other Revenue**			1,345,350,537
	Contributions From Government Enterprises:			
365,000,000	Liquor Distribution Branch—Net Profit		337,854,900	
6,700,000	British Columbia Buildings Corporation			
371,700,000	**Total Contributions from Government Enterprises**			337,854,900
	Contributions From Other Governments:			
	Canada:			
656,000,000	Established Programs Financing	652,360,000		
397,600,000	Canada Assistance Plan	460,005,833		
	Other Shared-cost Programs:			
47,000,000	Adult Occupational Training	52,589,091		
22,400,000	Economic Development	17,802,754		
16,000,000	Transportation and Highways	15,063,183		
29,100,000	Other Federal Payments	8,187,753		
114,500,000		93,642,781		
3,000,000	Percentage of Power Corporation Tax	6,694,803		
2,500,000	Statutory Subsidies	2,537,771		
1,173,600,000	**Subtotal, Canada**		1,215,241,188	
17,800,000	Municipal Share of Joint-Service Programs		18,457,077	
200,000	Other Provinces		9,597	
1,191,600,000	**Total Contributions from Other Governments**			1,233,707,862
7,297,234,000[3]	**General Fund Revenue**			7,327,745,838

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[1] Estimates for Natural Resources and Other Revenue have been restated to conform with the *Resource Revenue Stabilization Act*.

[2] Natural resource revenue is paid into the Resource Revenue Stabilization Fund. In 1982/83 all revenue received by this Fund was transferred to the General Fund.

[3] Main Estimates 7,232,000,000
Special Purpose Accounts Estimate 65,234,000
7,297,234,000

SCHEDULE OF GENERAL FUND EXPENDITURE BY MINISTRY SHOWING EXPENDITURE COMPARED WITH MAIN ESTIMATES AND OTHER AUTHORIZATIONS FOR THE FISCAL YEAR ENDED MARCH 31, 1983

	Total Appropriations				
	Estimated	Other Authorizations	Total	Actual Expenditures	Net Under Expenditures
Ministry	$	$	$	$	$
Legislation	8,343,500		8,343,500	7,109,067	1,234,433
Auditor General	3,590,772		3,590,772	3,141,941	448,831
Ombudsman	1,760,340		1,760,340	1,626,983	133,357
Premier's Office	709,124		709,124	664,287	44,837
Agriculture and Food	77,007,158	6,824,755	83,831,913	81,792,033	2,039,880
Attorney General	314,892,013	5,621,474	320,513,487	309,789,851	10,723,636
Consumer and Corporate Affairs	19,798,783	35,785	19,834,568	19,091,956	742,612
Education	1,350,901,988	(17,926,673)	1,332,975,315	1,264,932,454	68,042,861
Energy, Mines and Petroleum Resources	32,641,114	15,784	32,656,898	24,478,955	8,177,943
Environment	85,125,154	2,587,517	87,712,671	83,254,294	4,458,377
Finance	179,745,884	14,418,737	194,164,621	163,902,095	30,262,526
Forests	228,367,237	15,741,742	244,108,979	223,555,095	20,553,884
Health	2,317,686,249	10,560,083	2,328,246,332	2,300,129,698	28,116,634
Human Resources	986,259,580	117,303,706	1,103,563,286	1,092,391,265	11,172,021
Industry and Small Business Development	118,093,171	50,421	118,143,592	106,950,474	11,193,118
Intergovernmental Relations	2,913,693	7,877	2,921,570	2,472,450	449,120
Labour	34,469,615	831,303	35,300,918	30,676,738	4,624,180
Lands, Parks and Housing	112,931,000	4,976,729	117,907,729	110,216,505	7,691,224
Municipal Affairs	347,221,217	4,634	347,225,851	329,132,905	18,092,946
Provincial Secretary and Government Services	246,893,358	(2,934,479)	243,958,879	234,064,460	9,894,419
Tourism	13,680,900	(399,995)	13,280,905	12,633,771	647,134
Transportation and Highways	634,171,000	(2,424,778)	631,746,222	552,848,353	78,897,869
Universities, Science and Communications	397,338,150	(2,700,136)	394,638,014	387,616,919	7,021,095
Other—					
Employment Development Act, Sec. 4	132,900,000		132,900,000	127,012,549	5,887,451
Financial Administration Act, Sec. 22, Veterans' Hospital Agreement		182,511	182,511	182,511	
	7,647,441,000[1]	152,776,997	7,800,217,997	7,469,667,609	330,550,388

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[1] Main Estimates Voted	7,232,000,000
Special Purpose Accounts Estimate	415,441,000
	7,647,441,000
Net Voted Financing Transactions Estimate	8,789,760

SCHEDULE OF GENERAL FUND EXPENDITURE BY APPROPRIATION FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Legislation					
1	Legislation	**8,343,500**		**8,343,500**	**7,109,067**	**1,234,433**
	Auditor General					
2	Auditor General	**3,590,772**		**3,590,772**	**3,141,941**	**448,831**
	Ombudsman					
3	Office of the Ombudsman	**1,760,340**		**1,760,340**	**1,626,983**	**133,357**
	Premier's Office					
4	Premier's Office	**709,124**		**709,124**	**664,287**	**44,837**
	Ministry of Agriculture and Food					
5	Minister's Office	164,608				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		6,770	171,378	152,995	18,383
6	Ministry Operations	68,815,106				
	Supplement—Special Warrant No. 2		14,070,459			
	Supplement—Special Warrant No. 11		20,700,000			
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))—		(33,130,177)			
			2,700,000	73,155,388	71,457,572	1,697,816
7	Milk Board	293,292		293,292	240,353	52,939
8	Provincial Agricultural Land Commission	1,134,152		1,134,152	946,113	188,039
9	I.C.B.C. Senior Citizens' Grant	6,000,000		6,000,000	5,948,254	51,746
	Statutory—					
	Cattle Horn Act (R.S.B.C. 1979, chap. 44, sec. 7)—Livestock Improvement		7,266	7,266	7,266	
	Farm Income Insurance Act (R.S.B.C. 1979, chap. 123, sec. 6)—Farm Income Plan		1,000,000	1,000,000	1,000,000	
		76,407,158	**5,354,318**	**81,761,476**	**79,752,553**	**2,008,923**
	Special Purpose Accounts—					
	Livestock Protection Act (R.S.B.C. 1979, chap. 245, sec. 14)	50,000		50,000	19,043	30,957
	Farm Product Industry Act (R.S.B.C. 1979, chap. 124, sec. 16)	550,000	1,470,437	2,020,437	2,020,437	
		77,007,158	**6,824,755**	**83,831,913**	**81,792,033**	**2,039,880**

	Ministry of Attorney General					
10	Minister's Office	149,981				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		4,634	154,615	136,853	17,762
11	Administration and Support Services	61,814,944		61,814,944	57,094,696	4,720,248
12	Superior and County Judiciary	1,897,930		1,897,930	1,847,201	50,729
13	Provincial Judiciary	9,366,316		9,366,316	8,889,424	476,892
14	Police Services	65,895,693				
	Supplement—Special Warrant No. 5		2,500,000	68,395,693	66,289,267	2,106,426
15	Court Services	43,191,802				
	Supplement—Special Warrant No. 5		1,210,000			
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(182,422)	44,219,380	43,385,530	833,850
16	Corrections	74,430,116				
	Supplement—Special Warrant No. 5		1,010,000	75,440,116	73,684,771	1,755,345
17	Legal Services to Government	8,668,456				
	Supplement—Special Warrant No. 5		1,080,000			
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(228,879)	9,519,577	9,209,512	310,065
18	Criminal Justice	13,844,474				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(19,081)	13,825,393	13,373,074	452,319
19	Statutory Services, Boards, Commissions	35,632,301				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(926,914)			
	Statutory—*Criminal Injury Compensation Act* (R.S.B.C. 1979, chap. 83, sec. 2 (5))		758,833	35,464,220	35,464,220	
	Statutory—*Indian Cut-off Lands Disputes Act* (S.B.C. 1982, chap. 50, sec. 5)—Osoyoos and Clinton		370,500	370,500	370,500	
		314,892,013	**5,576,671**	**320,468,684**	**309,745,048**	**10,723,636**
	Special Purpose Account—*Land Title Act* (R.S.B.C. 1979, chap. 219, sec. 274)		44,803	44,803	44,803	
		314,892,013	**5,621,474**	**320,513,487**	**309,789,851**	**10,723,636**
	Ministry of Consumer and Corporate Affairs					
20	Minister's Office	165,160				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		6,770			
	Supplement—Special Warrant No. 4		30,000	201,930	193,001	8,929
21	Ministry Operations	19,633,623				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(985)	19,632,638	18,898,955	733,683
		19,798,783	**35,785**	**19,834,568**	**19,091,956**	**742,612**

SCHEDULE OF GENERAL FUND EXPENDITURE BY APPROPRIATION FOR THE FISCAL YEAR ENDED MARCH 31, 1983 — Continued

Vote No	Description	Total Appropriations Estimated	 Other Authorizations	 Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Ministry of Education					
22	Minister's Office	299,040				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,610	300,650	179,554	121,096
23	Management Operations and Educational Finance	12,447,315		12,447,315	9,578,240	2,869,075
24	Public Schools Education	966,085,922				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(17,487,933)	948,597,989	900,070,935	48,527,054
25	Post Secondary Colleges and Institutes	279,335,383				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(440,350)	278,895,033	262,958,508	15,936,525
26	Independent Schools	17,734,328		17,734,328	17,145,217	589,111
		1,275,901,988	**(17,926,673)**	**1,257,975,315**	**1,189,932,454**	**68,042,861**
27	Financing Transactions[2]					
		1,275,901,988	**(17,926,673)**	**1,257,975,315**	**1,189,932,454**	**68,042,861**
	Special Purpose Account—*Education (Interim) Finance Act*, sec. 9	75,000,000		75,000,000	75,000,000	
		1,350,901,988	**(17,926,673)**	**1,332,975,315**	**1,264,932,454**	**68,042,861**
	Ministry of Energy, Mines and Petroleum Resources					
28	Minister's Office	212,539				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,606	214,145	188,562	25,583
29	Resource Management Program	22,333,208		22,333,208	18,277,376	4,055,832
30	British Columbia Utilities Commission	2,595,367		2,595,367	1,898,218	697,149
31	Fort Nelson Indian Band Royalties Agreement	5,000,000		5,000,000	2,875,623	2,124,377
	Statutory—*Mining Regulation Act* (R.S.B.C. 1979, chap. 265, sec. 11 (2))—Mine Improvement		14,178	14,178	14,178	
		30,141,114	**15,784**	**30,156,898**	**23,253,957**	**6,902,941**
	Special Purpose Account—*Energy Development—Special Appropriations Act*, sec. 4	2,500,000		2,500,000	1,224,998	1,275,002

	Ministry of Environment					
32	Minister's Office	206,012				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		4,634	210,646	172,012	38,634
33	Resource and Environment Management	84,419,142		84,419,142	80,046,987	4,372,155
34	Emergency Assistance	500,000		500,000	452,412	47,588
	Statutory—					
	Flood Relief Act (R.S.B.C. 1979, chap. 138, sec. 2)—Flood Costs		2,490,728	2,490,728	2,490,728	
	Emergency Program Act (R.S.B.C. 1979, chap. 106, secs. 4, 16 and 17)—Purchase of Property Subject to Hazard		84,551	84,551	84,551	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 15 (1))—Extinguishment of Debt		7,604	7,604	7,604	
		85,125,154	**2,587,517**	**87,712,671**	**83,254,294**	**4,458,377**
35	Financing Transactions[2]					
		85,125,154	**2,587,517**	**87,712,671**	**83,254,294**	**4,458,377**
	Ministry of Finance					
36	Minister's Office	188,673				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		2,411	191,084	181,846	9,238
37	Government Financial Support	80,361,082				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15—sec. 53 (a))		9,300,960	89,662,042	83,718,347	5,943,695
38	Provincial Capital Commission	778,239		778,239	750,516	27,723
39	Compensation Stabilization Program	882,890		882,890	878,934	3,956
40	Contingencies	97,535,000				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(110,124)	97,424,876	75,623,162	21,801,714
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 53 (f))—Issue Costs		239,166	239,166	239,166	
	Crown Proceeding Act (R.S.B.C. 1979, chap. 86, secs. 13 (4) and 14 (4))—Judgments Against the Crown		1,516,029	1,516,029	1,516,029	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (c))—Interest on Revenue Refunds		994,095	994,095	994,095	
		179,745,884	**11,942,537**	**191,688,421**	**163,902,095**	**27,786,326**
41	Financing Transactions[2]					
	Supplement—Special Warrant No. 10		2,476,200	2,476,200		2,476,200
		179,745,884	**14,418,737**	**194,164,621**	**163,902,095**	**30,262,526**

SCHEDULE OF GENERAL FUND EXPENDITURE BY APPROPRIATION FOR THE FISCAL YEAR ENDED MARCH 31, 1983 — Continued

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Ministry of Forests					
42	Minister's Office	170,140				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		4,344	174,484	169,685	4,799
43	Forest and Range Resource Management	126,536,777		126,536,777	105,987,692	20,549,085
44	Fire Suppression	17,956,320				
	Statutory—*Forest Act* (R.S.B.C. 1979, chap. 140, sec. 124 (4))		14,919,044	32,875,364	32,875,364	
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (c))—Interest on Revenue Refunds		558,354	558,354	558,354	
	Special Warrant No. 7—Countervailing Duties Investigation		260,000	260,000	260,000	
		144,663,237	**15,741,742**	**160,404,979**	**139,851,095**	**20,553,884**
	Special Purpose Account—Forest and Range Resource *Special Appropriations Act*, sec. 5	83,704,000		83,704,000	83,704,000	
		228,367,237	**15,741,742**	**244,108,979**	**223,555,095**	**20,553,884**
	Ministry of Health					
45	Minister's Office	222,410				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,606	224,016	192,648	31,368
46	Management Operations	191,683,054		191,683,054	178,406,957	13,276,097
47	Health Programs	1,559,450,117				
	Supplement—Special Warrant No. 6		24,560,000			
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(13,459,261)			
	Statutory—*Constitution Act* (R.S.B.C. 1979, chap. 62, sec. 14, OIC 2060/82)—transfer to Ministry of Labour		(802,693)	1,569,748,163	1,554,939,002	14,809,161
48	Medical Services Commission	485,230,668		485,230,668	485,230,668	
		2,236,586,249	**10,299,652**	**2,246,885,901**	**2,218,769,275**	**28,116,626**
	Special Purpose Accounts—					
	Drug, Alcohol and Cigarette Education, Prevention and Rehabilitation—*Special Appropriations Act*, sec. 3	3,300,000	260,431	3,560,431	3,560,431	
	Health Cost Stabilization Act, sec. 1	77,800,000		77,800,000	77,799,992	8
		2,317,686,249	**10,560,083**	**2,328,246,332**	**2,300,129,698**	**28,116,634**

	Ministry of Human Resources					
49	Minister's Office	262,008				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		3,706	265,714	204,397	61,317
50	Ministry Programs	985,997,572				
	Supplement—Special Warrant No. 3		117,300,000	1,103,297,572	1,092,186,868	11,110,704
		986,259,580	**117,303,706**	**1,103,563,286**	**1,092,391,265**	**11,172,021**
	Ministry of Industry and Small Business Development					
51	Minister's Office	249,538				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		4,625	254,163	189,689	64,474
52	Ministry Operations	45,343,633		45,343,633	34,687,455	10,656,178
53	British Columbia Railway—Debt Servicing	70,000,000		70,000,000	70,000,000	
	Statutory—					
	Public Service Act (R.S.B.C. 1979, chap. 343, sec. 78)—Medical Expenses, London, England		796	796	796	
	Small Business Development Act (S.B.C. 1982, chap. 74, sec. 3)—Business Loans		45,000	45,000	45,000	
		115,593,171	**50,421**	**115,643,592**	**104,922,940**	**10,720,652**
54	Financing Transactions[2]					
		115,593,171	**50,421**	**115,643,592**	**104,922,940**	**10,720,652**
	Special Purpose Account—North East Coal Development—*Special Appropriations Act*, sec. 6	2,500,000		2,500,000	2,027,534	472,466
		118,093,171	**50,421**	**118,143,592**	**106,950,474**	**11,193,118**
	Ministry of Intergovernmental Relations					
55	Minister's Office	138,000				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,610	139,610	134,309	5,301
56	Intergovernmental Relations	2,775,693		2,775,693	2,331,874	443,819
	Statutory—*Public Service Act* (R.S.B.C. 1979, chap. 343, sec. 78)—Medical Expenses, London, England		6,267	6,267	6,267	
		2,913,693	**7,877**	**2,921,570**	**2,472,450**	**449,120**

SCHEDULE OF GENERAL FUND EXPENDITURE BY APPROPRIATION FOR THE FISCAL YEAR ENDED MARCH 31, 1983 — Continued

Vote No	Description	Total Appropriations Estimated	 Other Authorizations	 Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Ministry of Labour					
57	Minister's Office	152,517				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,610			
	Supplement—Special Warrant No. 8		27,000	181,127	179,342	1,785
58	Ministry Operations	30,960,720				
	Statutory—*Constitution Act* (R.S.B.C. 1979, chap. 62, sec. 14, OIC 2060/82)—transfer from Ministry of Health		802,693	31,763,413	27,778,458	3,984,955
59	Boards and Agencies	3,356,378		3,356,378	2,718,938	637,440
		34,469,615	**831,303**	**35,300,918**	**30,676,738**	**4,624,180**
	Ministry of Lands, Parks and Housing					
60	Minister's Office	187,000				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,023	188,023	177,599	10,424
61	Ministry Operations	78,448,990		78,448,990	72,658,103	5,790,887
62	Ministry Enterprises	10		10		10
		78,636,000	**1,023**	**78,637,023**	**72,835,702**	**5,801,321**
	Special Purpose Accounts					
	Crown Land—*Ministry of Lands, Parks and Housing Act* (R.S.B.C. 1979, chap. 277, sec. 7)	9,600,000	3,255,540	12,855,540	12,855,540	
	Provincial Home Acquisition—*Home Conversion and Leasehold Loan Act* (R.S.B.C. 1979, chap. 170, sec. 17), and *Home Purchase Assistance Act* (R.S.B.C. 1979, chap. 172, sec. 21)	21,627,000	1,720,166	23,347,166	23,347,166	
	University Endowment Land Act (R.S.B.C. 1979, chap. 420, sec. 3)	3,068,000		3,068,000	1,178,097	1,889,903
		112,931,000	**4,976,729**	**117,907,729**	**110,216,505**	**7,691,224**
	Ministry of Municipal Affairs					
63	Minister's Office	205,621				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		4,634	210,255	184,421	25,834
64	Operations and Administration	10,382,288		10,382,288	7,054,682	3,327,606
65	Revenue Sharing Fund	235,000,000		235,000,000	235,000,000	
66	Transit Services	100,633,308		100,633,308	86,408,473	14,224,835
		346,221,217	**4,634**	**346,225,851**	**328,647,576**	**17,578,275**
	Special Purpose Account—Downtown Revitalization—*Special Appropriations Act*, sec. 2	1,000,000		1,000,000	485,329	514,671
		347,221,217	**4,634**	**347,225,851**	**329,132,905**	**18,092,946**

	Ministry of Provincial Secretary and Government Services					
67	Minister's Office	191,744				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,610	193,354	159,424	33,930
68	Provincial Secretary and Government Services Programs	64,504,470				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(3,753,457)	60,751,013	56,841,264	3,909,749
69	Culture, Heritage and Recreation Programs	20,871,803		20,871,803	17,817,869	3,053,934
70	Public Service Commission	5,051,067		5,051,067	4,220,877	830,190
71	Superannuation Commission	140,065,034		140,065,034	139,761,489	303,545
72	Government Employee Relations Bureau	14,367,240		14,367,240	12,758,276	1,608,964
	Statutory—					
	Inquiry Act (R.S.B.C. 1979, chap. 198, part 2, sec. 18)—Investigating Amendments to the *Constitution Act*		153,698	153,698	153,698	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 14)—Write-off, Uncollectable Debt		2,445	2,445	2,445	
		245,051,358	**(3,595,704)**	**241,455,654**	**231,715,342**	**9,740,312**
	Special Purpose Accounts—					
	Barkerville Historic Park Development—*Special Appropriations Act*, sec. 1	869,000	661,225	1,530,225	1,530,225	
	Provincial Computerization of Libraries—*Special Appropriations Act*, sec. 7	973,000		973,000	818,893	154,107
		246,893,358	**(2,934,479)**	**243,958,879**	**234,064,460**	**9,894,419**
	Ministry of Tourism					
73	Minister's Office	204,003				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		4,626	208,629	182,775	25,854
74	Operations Services	5,269,233		5,269,233	4,677,888	591,345
75	Marketing Services	8,207,664				
	Supplement—Special Warrant No. 9		1,000,000			
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(1,428,770)	7,778,894	7,748,959	29,935
	Statutory—*Public Service Act* (R.S.B.C. 1979, chap. 343, sec. 78)—Medical Expenses, London, England and California, U.S.A.		24,149	24,149	24,149	
		13,680,900	**(399,995)**	**13,280,905**	**12,633,771**	**647,134**

SCHEDULE OF GENERAL FUND EXPENDITURE BY APPROPRIATION FOR THE FISCAL YEAR ENDED MARCH 31, 1983 — Continued

Vote No	Description	Total Appropriations — Estimated	Total Appropriations — Other Authorizations	Total Appropriations — Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Ministry of Transportation and Highways					
76	Minister's Office	228,769				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,023	229,792	196,741	33,051
77	Administration and Services Department	19,242,394		19,242,394	15,407,983	3,834,411
78	Highway Operations Department	521,132,477				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(2,466,179)	518,666,298	451,543,643	67,122,655
79	Hydro Development—Highways	10		10		10
80	Transportation Policy Department	5,658,433		5,658,433	3,921,432	1,737,001
81	Crown Corporation Assistance	54,822,700		54,822,700	54,820,819	1,881
82	Motor Vehicle Department	30,543,264		30,543,264	24,765,105	5,778,159
83	Motor Carrier Commission and Branch	2,542,953		2,542,953	2,152,252	390,701
		634,171,000	**(2,465,156)**	**631,705,844**	**552,807,975**	**78,897,869**
	Statutory—Fraser River Crossing—*Special Funds Act* (S.B.C. 1980, chap. 53)		40,378	40,378	40,378	
		634,171,000	**(2,424,778)**	**631,746,222**	**552,848,353**	**78,897,869**
	Ministry of Universities, Science and Communications					
84	Minister's Office	165,088				
	Statutory—*Legislative Assembly Allowances and Pension Act* (R.S.B.C. 1979, chap. 228, part 1, sec. 12)		1,610	166,698	154,223	12,475
85	Ministry Administration and Support	9,224,510		9,224,510	8,735,012	489,498
86	Government Telecommunications	24,352,193		24,352,193	24,119,139	233,054
87	Universities	363,596,359				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(2,701,746)	360,894,613	354,608,545	6,286,068
		397,338,150	**(2,700,136)**	**394,638,014**	**387,616,919**	**7,021,095**
		7,514,541,000	**152,594,486**	**7,667,135,486**	**7,342,472,549**	**324,662,937**

Other—					
Employment Development Act, sec. 4	132,900,000		132,900,000	127,012,549	5,887,451
Financial Administration Act, sec. 22, Veterans' Hospital Agreement		182,511	182,511	182,511	
Total, General Fund Expenditure	7,647,441,000[1]	152,776,997	7,800,217,997	7,469,667,609	330,550,388

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[1] Main Estimates Voted

Main Estimates Voted	7,232,000,000
Special Purpose Accounts Estimate	415,441,000
	7,647,441,000

[2] Net Voted Financing Transactions Estimate

Vote 27	10
Vote 35	750,000
Vote 41	2,350,000
Vote 54	5,689,750
	8,789,760

Financing transactions affect the financial position of the Province, but not the operating results. Therefore they are not included in the General Fund Expenditure

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF GUARANTEED DEBT
FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Debt of municipalities and other local governments, Provincial Crown corporations and private enterprises guaranteed by the Province as to net principal and accrued interest outstanding.

	1983			1982
	Gross Outstanding[2] $	Net Sinking Funds[2] $	Net Outstanding $	Net Outstanding $
Municipalities and other local governments—				
(1) Guarantees authorized pursuant to the *School Act*, sec. 232 (principally funded)	1,290,206,223			
Less: held by British Columbia School Districts Capital Financing Authority	(1,290,206,223)			
(2) Guarantees authorized pursuant to the *Educational Institution Capital Finance Act*, sec. 9	27,958,018			1,012,092
Less: held by British Columbia Educational Institutions Capital Financing Authority	(27,958,018)			
(3) Guarantees authorized pursuant to the *Hospital District Act*, sec. 41	754,065,592			
Less: held by British Columbia Regional Hospital Districts Financing Authority	(754,065,592)			
(4) Guarantees authorized pursuant to the *Municipalities Assistance Act*, sec. 3 (serials)	14,892,573		14,892,573	17,720,464
(5) Guarantees authorized pursuant to the *Municipal Act*, part 25, sec. 854, debentures (principally serials)	25,030,469	7,642,568	17,387,901	17,818,424
(6) Greater Vancouver Sewerage and Drainage District debentures (some serials)	16,713,865	16,713,865		353,693
Subtotal, municipalities and other local governments	56,636,907	24,356,433	32,280,474	36,904,673
Government services—				
(7) Guarantees authorized pursuant to the *British Columbia Buildings Corporation Act*, sec. 13[1]—				
Debentures — funded	503,451,966	15,438,515	488,013,451	228,348,130
Notes — unfunded	75,272,192		75,272,192	62,000,000
(8) Guarantees authorized pursuant to the *System Act*, sec. 20[1]				
Debentures — funded	52,413,214	608,795	51,804,419	29,850,859
Notes — unfunded	2,689,906		2,689,906	
Subtotal — Government services	633,827,278	16,047,310	617,779,968	320,198,989
Health and education				
(9) Guarantees authorized pursuant to the *Educational Institution Capital Finance Act*, sec. 9				
Debentures — funded[1]	323,922,766	13,313,981	310,608,785	231,614,770
(10) Guarantees authorized pursuant to the *Hospital District Finance Act*, sec. 9				
Debentures — funded[1]	841,778,130	154,978,842	686,799,288	580,870,677
(11) Guarantees authorized pursuant to the *School District Capital Finance Act*, sec. 9[1]				
Debentures — funded	1,393,617,322	379,673,341	1,013,943,981	866,357,531
— unfunded	8,022,681		8,022,681	11,880,801
Subtotal, health and education	2,567,340,899	547,966,164	2,019,374,735	1,690,723,779
Economic development				
(12) Guarantees authorized pursuant to the *British Columbia Cellulose Company Act*, sec. 8[1]	13,130,046		13,130,046	17,455,650
(13) Guarantees authorized pursuant to the *Ferry Corporation Act*, sec. 18[1]—				
Bonds and debentures—unfunded series	28,688,686		28,688,686	28,688,686
— notes	30,271,068		30,271,068	

(14) Guarantees authorized pursuant to the *British Columbia Railway Finance Act*, sec. 10[1]—				
Bonds and debentures—funded	774,054,117	131,178,905	642,875,212	668,949,087
Notes—unfunded	233,775,244		233,775,244	88,086,630
(15) Guarantees authorized pursuant to the *Development Corporation Act*, sec. 15[1]	151,138,976			
Less: held by the British Columbia Housing and Employment Development Financing Authority	(8,204,675)			
	142,934,301		142,934,301	111,038,171
(16) Guarantees authorized pursuant to the *Ministry of Transportation and Highways Act*, sec. 66, re: British Columbia Steamship Company (1975) Ltd.[1]	3,936,895		3,936,895	3,423,707
(17) Guarantees authorized pursuant to the *British Columbia Transit Act*, sec. 22[1]—				
Bonds and debentures	37,648,682		37,648,682	
Notes	20,005,068		20,005,068	55,000,000
Capital leases	26,429,242		26,429,242	
(18) Guarantees authorized pursuant to the *British Columbia Place Act, 1980*, sec. 6[1]				72,790,669
(19) Guarantees authorized pursuant to the *Farm Product Industry Act*, sec. 2	4,118,039		4,118,039	6,103,884
(20) Guarantees authorized pursuant to the *Agricultural Credit Act*, sec. 3	4,249,675		4,249,675	4,280,171
(21) Guarantees authorized pursuant to the *Harbour Board Act*, secs. 18 and 30.1[1]	6,226,751		6,226,751	
(22) Guarantees authorized pursuant to the *Housing and Employment Development Financing Act*, secs. 5 and 6[1]—				
Bonds and debentures	6,191,788		6,191,788	
Notes	2,012,888		2,012,888	
(23) Guarantees authorized pursuant to the *Petroleum Corporation Act*, secs. 10 and 12[1]	30,009,349		30,009,349	
Subtotal, economic development	1,363,681,839	131,178,905	1,232,502,934	1,055,816,655
Utilities —				
(24) Guarantees authorized pursuant to the *Hydro and Power Authority Act*, sec. 44[1]—				
Bonds and debentures—funded	8,249,033,446	587,696,889	7,661,336,557	7,154,680,886
Subtotal, utilities	8,249,033,446	587,696,889	7,661,336,557	7,154,680,886
Grand total, all guaranteed debt	12,870,520,369	1,307,245,701	11,563,274,668	10,258,324,982
Less: Amounts included above held as investments by General and Special Purpose Funds	153,690,816	17,262,950	136,427,866	314,946,827
Net total, all guaranteed debt	12,716,829,553	1,289,982,751	11,426,846,802	9,943,378,155

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[1] See Section G of the Public Accounts for details of maturity dates, interest rates, and redemption features of the outstanding debt of these Crown agencies.

[2] Gross outstanding debt as at March 31, 1983 includes accrued interest of $393.2 million. Debt payable in United States currency is recorded in Canadian dollars at the rate of exchange prevailing at March 31, 1983.

Sinking funds comprise cash and investments recorded at cost, plus accrued interest of $33.4 million, with the exception of item 6 which is shown at an adjusted value equivalent to the gross outstanding funded debt. The market value of these sinking fund investments was approximately $1,308 million at March 31, 1983 (1982: $994 million); however, these are not considered to be temporary investments, since it is generally the Government's policy not to redeem them prior to maturity, at which time the par value is realized.

The Government is directly responsible for paying 56 to 100 per cent of debt service costs for health and education debt through various grant formulas. In 1982/83 these contributions totalled approximately $214 million or 67 per cent of the debt service costs. The Government also pays a portion of the debt service costs of some economic development enterprises. No such contribution is made for utilities.

As a result of Government financing policies $4.0 billion of the guaranteed debt is held in investment accounts included in these financial statements and in other Provincial public sector superannuation and pension funds. Canada Pension Plan funds made available to the Government ($3.5 billion) are also invested in these securities but are subject to redemption on six months' notice by the Federal Minister of Finance.

Between the year end and August 15, 1983 there have been additional debt issues net of redemptions guaranteed by the Province totalling $762.6 million.

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF UNMATURED DEBT

Pursuant to Section 54 (2) of the "Financial Administration Act", 1981
For the Fiscal Year Ended March 31, 1983

UNMATURED DEBT

Unmatured debt represents financial obligations of the Province of British Columbia resulting from certificates of indebtedness that have not yet become due.

Payable in Canadian Currency

	April 1/82	Issues	Retirements	March 31/83	Net increase or (decrease) 1983	Net increase or (decrease) 1982
	$	$	$	$	$	$
Province of British Columbia Bonds	183,147,790	26,100,000	26,100,000	183,147,790	Nil	(26,100,000)
Treasury Bills		950,000,000	250,000,000	700,000,000	700,000,000	
Total Unmatured Debt	183,147,790	976,100,000	276,100,000	883,147,790	700,000,000	(26,100,000)

Province of British Columbia Bonds

Maturity	Date Issue	Rate (%)	Nature	Series	Amount Outstanding Apr. 1/82	Issues	Retirements	Amount Outstanding Mar. 31/83	Interest Payable	Authority
May 1, 1988[1]	May 1, 1978	9⅛	Bonds	BD	183,147,790		26,100,000	157,047,790	1 May & Nov.	*British Columbia Deficit Repayment Act, 1975-76* (S.B.C. 1976, chap. 6)
March 31, 1988	March 31, 1983	11⅜	Bonds	PRA		26,100,000		26,100,000	31 Mar. & Sept.	*Provincial Debt Refinancing Act, 1982*
Total					183,147,790	26,100,000	26,100,000	183,147,790		

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[1] The bonds are repayable in nine annual instalments of $26,100,000 each on May 1, 1979, through 1987, plus a final $26,547,790 on May 1, 1988. The Province has the right at any time to redeem the bonds in whole or in part.

Treasury Bills

Date of Issue	Issues Average Yield %	Issues Par Value $	Issues Discount $	Issues Net Proceeds $	Retirements $	Issues Outstanding Mar. 31/83 $
December 1, 1982	10.78	50,000,000	1,308,900	48,691,100	50,000,000	
December 8	10.66	50,000,000	1,294,800	48,705,200	50,000,000	
December 15	10.01	50,000,000	1,217,050	48,782,950	50,000,000	
December 22	9.97	50,000,000	1,212,610	48,787,390	50,000,000	
December 29	9.87	50,000,000	1,200,900	48,799,100	50,000,000	
January 5, 1983	9.67	50,000,000	1,177,450	48,822,550		50,000,000
January 12	9.48	50,000,000	1,154,800	48,845,200		50,000,000
January 19	9.63	50,000,000	1,172,600	48,827,400		50,000,000
January 26	9.70	50,000,000	1,180,760	48,819,240		50,000,000
February 2	9.83	50,000,000	1,196,200	48,803,800		50,000,000
February 9	9.61	50,000,000	1,170,500	48,829,500		50,000,000
February 16	9.15	50,000,000	1,115,000	48,885,000		50,000,000
February 23	9.27	50,000,000	1,129,000	48,871,000		50,000,000
March 2	9.17	60,000,000	1,340,800	58,659,200		60,000,000
March 9	9.31	60,000,000	1,360,750	58,639,250		60,000,000
March 16	9.18	60,000,000	1,342,150	58,657,850		60,000,000
March 23	9.23	60,000,000	1,349,500	58,650,500		60,000,000
March 30	9.18	60,000,000	1,343,160	58,656,840		60,000,000
Total		950,000,000	22,266,930	927,733,070	250,000,000	700,000,000

Treasury bills are short-term financial obligations issued by the Province of British Columbia to pay a sum of money on a given date. Treasury bills do not pay interest but are sold at a discount and mature at par. The difference between issue price and par at maturity represents the lenders' income in lieu of interest.

Treasury bills have the following characteristics:

—issued at a discount in lieu of interest payments
—maturity: 91 days
—issued in Canadian currency
—transferable
—bought and sold on the open market.

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF MONEY REFUNDED UNDER PROVISIONS OF SECTION 13 OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Description of Item	$
Attorney General:	
Land Title Registration Fees	294,935
Consumer and Corporate Affairs:	
Corporate and Central Registry Fees	249,119
Rentalsman Filing Fees	150
Credit and Debtor Assistance Fees	25
Travel Agents' Registration Fees	50
Motor Dealers' Licensing Fees	10,452
Liquor Control and Licensing Fees	9,325
	269,121
Finance:	
Real Property Taxes	2,293,576
Tobacco Taxes	192,172
	2,485,748
Forests:	
Harvesting—Stumpage	3,261
Harvesting Rental and Fees	206
Overpayments	199,080
Miscellaneous Revenue	5,982
	208,529
Lands, Parks and Housing:	
Land Leases and Rentals	309,756
Transportation and Highways:	
Application Fees—Motor Carrier	31,106
Miscellaneous, each under $2,000	8,661
	39,767
Total: 1982/83	3,607,856
Total: 1981/82	964,252

Note: Section 13 of the *Financial Administration Act*, 1981 authorizes money to be refunded under the following conditions:

(a) "Money received by the government that is erroneously paid or collected, or

(b) for any purpose that is not fulfilled."

These payments are reflected in the main statements of the Province.

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF ASSETS AND UNCOLLECTIBLE DEBTS WRITTEN OFF UNDER PROVISION OF SECTION 14 OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Description of Item	$
Agriculture and Food:	
Farm Products Industry loan (Sun Dew Foods)	7,500
Attorney General:	
Provincial Court Fines and Fees	371,680
Consumer and Corporate Affairs:	
Miscellaneous	200
Finance:	
Social Service Tax	1,528,988
Hotel Room Tax	9,692
Gasoline	3
Motive Fuel Use	1,660
Real Property Tax	1,031,934
Corporation Capital Tax	508,118
Succession Duties	8,573
Logging Tax	56,655
	3,145,623
Forests:	
Overpayments	378,227
Health:	
Ambulance Fees	1,217,462
Patient Maintenance	9,273,078
	10,490,540
Human Resources:	
Bad debt—Woodlands Institution for the Mentally Handicapped	593,622
Industry and Small Business Development:	
Travel Industry Development Subsidiary Agreement—low interest loans—	
5005 Holdings	115,000
Co-Har Holdings	162,500
	277,500
Lands, Parks and Housing:	
Land Leases and Rentals	73,390
Provincial Secretary and Government Services:	
Miscellaneous, each under $2,000	8,281
Transportation and Highways:	
Permits—oversize carriers	7,613
Miscellaneous, each under $2,000	4,426
	12,039
Total: 1982/83	15,358,602
Total: 1981/82	53,010,074

Note: Section 14 of the *Financial Administration Act*, 1981 authorizes an asset, a debt or an obligation to be written off if it is unrealizable or uncollectible. These write-offs are reflected in the main statements of the Province.

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF DEBTS EXTINGUISHED UNDER PROVISION OF SECTION 15 OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Description of Item	$
Environment:	
Conservation Fund Loan Principal. O.I.C. 1698/79	7,604
Total: 1982/83	7,604
Total: 1981/82	0

Note: Section 15 of the *Financial Administration Act*, 1981, authorizes the Lieutenant Governor in Council to forgive in whole or in part, a debt or obligation that is due and owing to the Government.

SCHEDULE OF REMISSIONS UNDER PROVISIONS OF SECTION 16 (1) OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Description of Item	$
Social Service Tax	13,420
Total: 1982/83	13,420
Total: 1981/82	26,399

Note: Section 16 (1) of the *Financial Administration Act*, 1981 authorizes the Lieutenant Governor in Council to remit:

(a) "any tax, royalty, fee or other sum that is paid or payable to the government and that is imposed or authorized to be imposed by an enactment, or

(b) any forfeiture, fine or pecuniary penalty imposed or authorized to be imposed by an enactment, notwithstanding that the whole or part of it is payable to another person"

where he "considers it in the public interest to do so . . . where great public inconvenience, great injustice or great hardship to a person has occurred or is likely to occur." These remissions are reflected in the main statements of the Province.

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF PAYMENTS BASED ON CONTRIBUTIONS PURSUANT TO SECTION 22 (2) OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Ministry	Agreement Description	$
Education:		
	National Training Agreement—SkillGrowth Fund	1,520,737
	National Training Agreement—Federal Vocational Training Course Purchase	4,927,035
		6,447,772
Energy, Mines and Petroleum Resources:		
	British Columbia Utilities Commission	662,314
	Staff Exchange with Federal Government	50,448
		712,762
Environment:		
	Provincial Emergency Program Telecommunications	177,290
	Homathko Development Air Studies	14,731
	Ambient Air Monitoring	44,226
	Salmonid Enhancement	77,737
	British Columbia Hydro Snow Pillow	22,317
	British Columbia Hydro Stikine River Basin Agreement	127,227
	Large Scale Base Mapping	103,086
	Pitt Meadows Base Mapping	8,186
	Municipal Base Mapping	47,901
		622,701
Forests:		
	British Columbia Railway	34,484
	Biomass Project	148,128
	Alberta Fire Suppression	444,700
		627,312
Health:		
	Out of Province Hospital Insurance Reciprocal Agreements	11,163,583
	Strongyloids Survey	5,631
	Veterans Hospital Agreement	182,511
		11,351,725
Lands, Parks and Housing:		
	Vernon Boat Launch	4,706
	Winter Cove	42,339
		47,045
Provincial Secretary and Government Services:		
	Historic Site Survey	64,780
	Artifact Purchases	73,250
	Provincial Art Collection	5,000
	Public Archives Canada Film and Graphics	10,000
	Equipment Replacement by Insurance	8,437
	British Columbia Heritage Trust Administration	2,051
		163,518
Employment Development Account:		
	Unemployed Apprentice Job Training	660,340
	Total: 1982/83	20,633,175
	Total: 1981/82	1,846,855

Note: Section 22 (2) of the *Financial Administration Act*, 1981 authorizes payments "where under an Act, agreement or undertaking:

(a) money is payable to the government, or

(b) money has been received by the government."

COMBINED FINANCIAL STATEMENTS

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES PURSUANT TO SECTION 54 (3) OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Description of Item	Total Lease Payments
Lease of 70-automobile ferry, *M.V. Quinsam* at $81,130 per month	$
Initial term—April 1, 1983 to March 31, 1985	1,947,120
First option—April 1, 1985 to September 30, 1987	2,433,900
Second option—October 1, 1987 to March 26, 1997	9,248,820
Purchase option, March 26, 1997	310,000
Total: 1982/83	13,939,840
Total: 1981/82	14,913,400

Note: Section 54 (3) of the *Financial Administration Act*, 1981 requires disclosure of the financial obligations of the government under a lease where substantially all of the risks and benefits of ownership of the property have been transferred to the government. These contracts are reflected in the Public Accounts in accordance with the Province's accounting policies.

SCHEDULE OF PAYMENTS MADE TO HONOUR GUARANTEES PURSUANT TO SECTION 58 (3) OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 FOR THE FISCAL YEAR ENDED MARCH 31,1983

Description of Item	$
Agricultural Credit Act	
D. and G. Roller	37,818
Cowichan Delta Produce Ltd.	72,518
Deacon Feed Ltd.	129,438
Rodgers Hog Farm	148,414
Total: 1982/83	388,188
Total: 1981/82	1,080,534

Note: Section 58 (3) of the *Financial Administration Act*, 1981 authorizes payments to honour guarantees and indemnities where the Government has entered into an agreement to give a guarantee in connection with the issue and sale of securities. These payments are reflected in the main statements of the Province.

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF INVESTMENT PORTFOLIO OF THE GOVERNMENT PURSUANT TO SECTION 36 (8) OF THE *FINANCIAL ADMINISTRATION ACT, 1981* AS AT MARCH 31, 1983

	1983			1982
	Temporary Investments	Long-Term Investments	Total	Total
	$	$	$	$
Obligations of or guaranteed by Canada	40,107,888		40,107,888	3,161,718
Obligations of or guaranteed by a Province	81,947,117	74,376,597	156,323,714	350,841,301
Obligations of or guaranteed by a savings institution	305,268,969		305,268,969	814,767,828
Total	427,323,974	74,376,597	501,700,571	1,168,770,847
Held as follows:				
Temporary Investments (Note 2)	426,388,136		426,388,136	1,094,394,250
Investments in and advances to Crown corporations (Note 8)				
British Columbia Hydro and Power Authority		8,070,096	8,070,096	8,070,096
British Columbia Railway Company		10,235,000	10,235,000	10,235,000
Other assets (Note 10)				
British Columbia Housing and Employment Development Financing Authority	935,838		935,838	
British Columbia Regional Hospital Districts Financing Authority bonds		12,000,000	12,000,000	12,000,000
British Columbia School Districts Capital Financing Authority bonds		44,071,501	44,071,501	44,071,501
Total	427,323,974	74,376,597	501,700,571	1,168,770,847

COMBINED FINANCIAL STATEMENTS
SCHEDULE OF INVESTMENT PORTFOLIO OF THE GOVERNMENT PURSUANT TO SECTION 36 (8) OF THE *FINANCIAL ADMINISTRATION ACT, 1981* AS AT MARCH 31, 1983—Continued

Temporary Investments	1983 Book Value		1982 Book Value
	$	$	$
Obligations of or guaranteed by Canada:			
Government of Canada Treasury Bills		40,107,888	3,161,718
Obligations of or guaranteed by the Province:			
British Columbia Assessment Authority	3,950,000		
British Columbia Buildings Corporation	50,000,000		52,492,499
British Columbia Development Corporation	6,659,219		30,053,947
British Columbia Ferry Corporation	302,060		
British Columbia Housing and Employment Development Financing Authority	935,838		
British Columbia Place Ltd.			69,856,945
British Columbia Railway Company			89,061,313
British Columbia Steamship Company (1975) Ltd.	100,000		
British Columbia Transit	20,000,000		35,000,000
		81,947,117	276,464,704
Obligations of or guaranteed by a savings institution:			
Canadian Imperial Bank of Commerce	54,109,610		130,083,620
Royal Bank of Canada	43,480,303		173,635,721
Bank of Montreal	22,636,492		135,637,967
Toronto Dominion Bank	84,419,203		162,565,994
Bank of Nova Scotia	12,998,936		98,490,523
Bank of British Columbia			18,372,367
Mercantile Bank	561,320		22,151,370
National Bank			34,665,155
Canadian Commercial Bank	8,000,000		
Lloyds Bank International			5,914,418
Crown Trust	1,089,348		
Royal Bank Mortgage	22,037,541		
Toronto Dominion Mortgage	15,034,745		
Commerce Mortgage Corporation	15,003,863		
Sumitomo Bank New York			5,408,410
Royal Trust	11,198,411		
Dai-Ichi Kangyo Bank			14,917,856
Canada Permanent Trust	2,123,493		
National Trust	1,875,704		
Bank of America	4,200,000		
Barclays Bank of Canada			12,924,427
National Westminster of Canada	6,500,000		
		305,268,969	814,767,828
Total		427,323,974	1,094,394,250

Long-Term Investments	Dates of Maturity	Par Value	Book Value	Book Value
		$	$	$
Obligations of or guaranteed by a Province:				
British Columbia Hydro and Power Authority	2001–2004	8,141,000	8,070,096	8,070,096
British Columbia Railway Company	1999	10,235,000	10,235,000	10,235,000
British Columbia Regional Hospital Districts Financing Authority	1991–1992	12,000,000	12,000,000	12,000,000
British Columbia School Districts Capital Financing Authority	1988–1992	44,092,000	44,071,501	44,071,501
Total		74,468,000	74,376,597	74,376,597

SECTION C

CONSOLIDATED FINANCIAL STATEMENTS OF THE PROVINCE

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CONSOLIDATED FINANCIAL STATEMENTS OF THE PROVINCE FOR THE FISCAL YEAR ENDED MARCH 31, 1983

PREAMBLE

Consolidated Financial Statements are included in the Public Accounts for the third successive year. These statements aggregate the Consolidated Revenue Fund, which comprises the General Fund and Special Purpose Funds, and certain Crown corporations: namely, those Crown corporations which exist to service the Government ("service" corporations) and those Crown corporations which conduct Government activities and complement Government programs ("provincial" corporations). These corporations are more fully described in Note 1 to these consolidated financial statements. The financial statements of those Crown corporations which have been consolidated have been adjusted to the Government's accounting policies upon consolidation to provide consistent reporting.

Crown corporations which are similar to commercial enterprises and run on commercial lines (termed "commercial" and "transportation" companies) have not been consolidated; the Government's investment in those enterprises has simply been adjusted to reflect the underlying equity in them without adjusting the financial statements of such enterprises to conform with the Government's accounting policies.

These consolidated financial statements are presented to disclose the economic impact of the Government and the state of its finances in a manner that will assist in the assessment of these matters.

REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN THE PUBLIC ACCOUNTS OF THE PROVINCE OF BRITISH COLUMBIA

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

To the Legislative Assembly
of the Province of British Columbia
Parliament Buildings
Victoria, British Columbia

I have examined the Consolidated Financial Statements of the Government of the Province of British Columbia for the fiscal year ended March 31, 1983 as presented in Section C of the Public Accounts, and the related supplementary schedules contained in sub-sections C24 through C29. These financial statements are:

Consolidated Balance Sheet
Consolidated Statement of Taxpayers' Equity
Consolidated Statement of Operating Results
Consolidated Statement of Changes in Cash and Temporary Investments
(including Notes to Consolidated Financial Statements)

My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have received all the information and explanations I have required for the purpose of my examination.

I report in accordance with section 7 of the *Auditor General Act*. In my opinion, these consolidated financial statements present fairly on a consolidated basis the financial position of the Government of the Province of British Columbia as at March 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with the stated accounting policies as set out in Note 1 to the consolidated financial statements applied on a basis consistent with that of the preceding year.

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I emphasize that this report is limited under section 7 of the Act to an opinion on presentation of the financial statements in accordance with the stated accounting policies of the Government. Under section 8 of the Act I report separately on other matters resulting from my examination that I consider should be brought to the attention of the Legislative Assembly. That report will be presented at a future date.

Erma Morrison

ERMA MORRISON, F.C.A.
Auditor General

Victoria, British Columbia
31 August 1983

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 1983

	1983 $	1982 $
ASSETS		
Cash and temporary investments (note 2)	314,370,450	771,865,030
Accounts receivable (note 3)	635,866,702	518,740,166
Due from Crown corporations and agencies (note 4)	22,799,391	17,106,142
Mortgages receivable (note 5)	258,368,058	189,304,135
Prepaid program costs (note 6)	157,476,907	72,848,330
Inventories (note 7)	45,375,731	38,110,585
Investments in Crown corporations—at equity (note 8)	674,625,164	692,024,735
Property under development (note 9)	64,502,224	66,006,762
Fixed assets (note 10)	1	1
Deferred charges and other assets (note 11)	379,530,763	286,388,914
	2,552,915,391	**2,652,394,800**
LIABILITIES		
Accounts payable and accrued liabilities (note 12)	648,913,807	682,947,268
Due to Crown corporations and agencies (note 13)	16,493,996	14,295,071
Deferred revenue (note 14)	139,848,213	107,353,615
Unmatured debt (note 15)	1,631,048,178	489,989,819
	2,436,304,194	**1,294,585,773**
TAXPAYERS' EQUITY		
Taxpayers' equity	**116,611,197**	**1,357,809,027**
	2,552,915,391	**2,652,394,800**
CONTINGENCIES AND COMMITMENTS (note 16)		
Guaranteed Debt	**10,824,971,666**	**9,672,891,936**
TRUST FUNDS UNDER ADMINISTRATION (section D)	**8,024,962,079**	**7,104,655,358**

The accompanying notes and supplementary schedules are an integral part of these financial statements.

Approved on behalf of the Ministry of Finance.

L Bell

L. I. BELL
Deputy Minister of Finance and
Secretary of Treasury Board

D B Marson

D. B. MARSON
Acting Comptroller General

CONSOLIDATED STATEMENT OF TAXPAYERS' EQUITY FOR THE FISCAL YEAR ENDED MARCH 31, 1983

	1983			1982
	Government and Government Enterprises	Commercial and Transportation Companies	Total	Total
	$	$	$	$
Taxpayers' equity—beginning of year	797,439,100	560,369,927	1,357,809,027	1,498,516,480
Consolidated operating results for the year				
Net revenue (expenditure) for the year	(1,218,317,259)		(1,218,317,259)	(335,855,662)
Increase (decrease) in unremitted equity of commercial and transportation companies		(22,880,571)	(22,880,571)	195,148,209
Taxpayers' equity—end of year	(420,878,159)	537,489,356	116,611,197	1,357,809,027

The accompanying notes and supplementary schedules are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF OPERATING RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983

	1983				1982
	Consolidated Revenue Fund (B 8)	Consolidated Crown Corporations (C 25)	Transfers Between Consolidated Revenue Fund and Crown Corporations	Total	Total
Revenue	$	$	$	$	$
Taxation	3,869,668,544			3,869,668,544	4,216,695,833
Natural resources	542,550,619	31,587		542,582,206	599,213,203
Other	544,924,982	339,587,059	(68,750,553)	815,761,488	881,340,208
Contributions from Government enterprises	337,854,900	496,048,477	(556,519,841)	277,383,536	196,004,222
Contributions from other governments	1,234,090,728	75,000		1,234,165,728	1,115,229,993
Total revenue	6,529,089,773	835,742,123	(625,270,394)	6,739,561,502	7,008,483,459
Expenditure					
General government	342,089,886			342,089,886	294,100,320
Protection of persons and property	351,691,500	21,116,000	(14,598,345)	358,209,155	319,773,016
Transportation and communications	593,650,166	3,268,345		596,918,511	729,817,083
Health and social services	3,426,663,204	854,466,838	(505,108,038)	3,776,022,004	3,208,560,628
Recreation and cultural services	57,348,855	1,877,764	(750,516)	58,476,103	76,096,969
Education	1,668,572,801	3,566,984	(3,581,920)	1,668,557,865	1,550,039,175
Natural resources and primary industries	455,165,056		(75,000)	455,090,056	487,482,912
Trade and industrial development	57,504,908	89,189,159	(5,209,326)	141,484,741	40,116,236
Housing	120,496,342	29,266,278	(16,997,249)	132,765,371	116,605,515
Aid to local government	307,195,274	2,103,020		309,298,294	363,656,745
Interest on public debt	28,329,459			28,329,459	16,917,773
Other	104,587,316	65,000,000	(78,950,000)	90,637,316	141,172,749
Total expenditure	7,513,294,767	1,069,854,388	(625,270,394)	7,957,878,761	7,344,339,121
Net Revenue (Expenditure) For The Year	(984,204,994)	(234,112,265)		(1,218,317,259)	(335,855,662)
Increase (decrease) in Unremitted Equity of Commercial and Transportation Companies (C 27)				(22,880,571)	195,148,209
Consolidated Net Revenue (Expenditure) for the Year				(1,241,197,830)	(140,707,453)

The accompanying notes and supplementary schedules are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN CASH AND TEMPORARY INVESTMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983

	1983 $		1982 $	
Balance—Beginning of Year		771,865,030		921,561,770
Operating Transactions				
Revenue	6,739,561,502		7,008,483,459	
Expenditure	7,957,878,761		7,344,339,121	
Net expenditure	(1,218,317,259)		(335,855,662)	
Increase (decrease) in unremitted equity of commercial and transportation companies	(22,880,571)		195,148,209	
Consolidated Net Revenue (Expenditure)	(1,241,197,830)		(140,707,453)	
Add (deduct): non-cash items included in net revenue (see below)	(139,038,896)		(23,290,942)	
cash items applicable to future operations (see below)	(114,641,915)		6,139,130	
Used for operations		(1,494,878,641)		(157,859,265)
Financing Transactions				
Receipts:				
Mortgage principal repayments	24,037,640		25,597,901	
Repayment of investments in and advances to Crown corporations	10,000,000		8,838,694	
Property sales—net	1,504,538		3,628,096	
Repayments of other assets	15,321,778		32,816,644	
Debt issues of consolidated entities	1,429,585,813		101,619,000	
	1,480,449,769		172,500,335	
Disbursements:				
Mortgages issued	93,101,563		26,956,757	
Investments in and advances to Crown corporations	15,481,000		55,000,000	
Investments in other assets	45,955,691		12,124,012	
Debt retirement	288,527,454		70,257,041	
	443,065,708		164,337,810	
Derived from financing transactions		1,037,384,061		8,162,525
Decrease in Cash and Temporary Investments		(457,494,580)		(149,696,740)
Balance—End of Year		314,370,450		771,865,030

CONSOLIDATED STATEMENT OF CHANGES IN CASH AND TEMPORARY INVESTMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

	1983 $	1982 $
Non-Cash Items Included in Consolidated Net Revenue		
Change in accounts receivable	(117,126,536)	(115,477,190)
Change in amounts due from Crown corporations	(5,693,249)	(1,176,838)
Change in inventories	(7,265,146)	(281,331)
Change in accounts payable and due to Crown corporations	(31,834,536)	263,772,882
British Columbia Resources Investment Corporation		
—Donation of shares		25,019,744
(Increase) decrease in unremitted equity of commercial and transportation companies	22,880,571	(195,148,209)
	(139,038,896)	(23,290,942)
Cash Items Applicable to Future Operations		
Change in prepaid program costs	(84,628,577)	(72,848,330)
Change in deferred charges	(62,507,936)	
Change in deferred revenue	32,494,598	78,987,460
	(114,641,915)	6,139,130

The accompanying notes and supplementary schedules are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983

1. Significant Accounting Policies

(a) Reporting Entity

These financial statements include the accounts of the following entities which have been consolidated for reporting purposes:

(i) the General Fund, which includes all transactions of the Government not otherwise earmarked by legislative action, including the accounts of the British Columbia Liquor Distribution Branch, the Queen's Printer and the Purchasing Commission;

(ii) the Special Purpose Funds, which comprise all amounts set aside from the General Fund by special disposition of the Legislature for specific purposes;

(iii) Crown Service corporations, which are considered to be extensions of existing Government programs; and

(iv) certain Provincial corporations and agencies which are considered to support existing Government programs.

Certain Crown corporations which have been identified as transportation and commercial enterprises, and which are intended to be run on commercial lines, are recorded in these financial statements on an equity basis. A schedule of entities recorded on a consolidated or equity basis may be found on page C 24.

Separate financial statements for all entities which have been either consolidated or recorded on an equity basis in these financial statements are included in Section G of the Public Accounts.

The Province's four capital financing authorities are not recorded in these financial statements because they are designed to finance institutions managed by separately elected and appointed authorities. Also excluded are health and educational institutions which are legally distinct from Government and whose boards are required to report separately on their stewardship.

The Workers' Compensation Board of British Columbia has neither been consolidated nor recorded on an equity basis because it carries on a quasi-insurance activity funded by contributions from employers and it is not intended to be run on commercial lines. Similarly, the activities of the Insurance (Motor Vehicle) Act Fund have neither been consolidated nor recorded on an equity basis because it operates as a self-sustaining entity.

Financial statements for all major Provincial government entities as well as those for all public bodies which are audited by the Auditor General are included in Section G of the Public Accounts.

In addition, the Consolidated balance sheet discloses, on a memorandum basis, Trust Funds Under Administration, which includes trust deposits, sinking funds, certain assurance funds and superannuation funds administered by the Government but over which it has no power of appropriation. Details of Trust Funds under Administration are contained in Section D of the Public Accounts.

(b) Principles of Consolidation

The accounts of the Crown Service and Provincial corporations are consolidated with the General Fund and Special Purpose Funds after adjusting them to conform with the accounting policies described below. Inter-company accounts and inter-fund revenue and expenditure transactions are eliminated upon consolidation.

The transportation and commercial enterprises which maintain their accounts in accordance with accounting principles applicable to commercial entities, are included on an equity basis without adjusting them to conform with the accounting policies described below. Inter-company accounts and transactions are not eliminated. However, profit elements included in such transactions, including certain increases in contributed surplus, are eliminated.

No adjustments are made on consolidation to those consolidated entities whose fiscal year-ends are not the same as that of the Government, where the effect of adjustment would not be significant to the consolidated operating results.

(c) Basis of Accounting

The accrual basis of accounting is used which, for these Consolidated financial statements, is specifically expressed as follows:

Revenue:

Payments to the Province from the Federal Government under the *Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977*, including certain taxes on income, are recorded on a cash basis because of the impracticality and uncertainty involved in their estimation. With this exception, all revenue is recorded on an accrual basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

1. Significant Accounting Policies—Continued

Expenditure:

All expenditures, including the cost of fixed assets, are recorded for goods received and services rendered during the year. Accumulated employee sick leave, vacation and other entitlements are recorded as expenditures in the accounts when they are paid. With this exception, all expenditures are recorded on an accrual basis.

Grants are recorded as expenditures. Conditional or fee for service types of grants are recorded when the goods or services have been received or when conditions of a contract have been fulfilled. Unconditional grants, which do not require fulfillment of any terms of a contract before payment, are recorded at the time the funds are disbursed.

Recoveries of expenditures may be permitted as a credit to the appropriate expenditure account when:

(i) they can be specifically identified with the expenditure transactions and payment has actually been made from an appropriation;
(ii) prior Treasury Board approval has been given and they have been properly disclosed in the *Estimates;* and,
(iii) the expenditure to which they relate was incurred in the same fiscal year.

Assets:

All assets are recorded to the extent that they represent claims upon outside parties or items held for resale to outside parties as a result of events and transactions prior to the year-end. Rental payments for leases which transfer the benefits and risks incident to the ownership of certain assets are reported as expenditures at the dates of inception of the leases.

Liabilities:

All liabilities are recorded to the extent that they represent claims payable to outside parties as a result of events and transactions prior to the year-end.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at the year-end. Foreign currency transactions are translated to Canadian dollars at the exchange rate prevailing at the date of the transaction. Adjustments arising as a result of foreign currency translation are charged or credited to expenditure at the time the adjustments arise.

(d) SPECIFIC POLICIES

Cash and Temporary Investments

Cash balances are shown after deducting outstanding cheques issued prior to the year-end. Those issued subsequent to the year-end relating to the previous year are included with accounts payable.

Temporary investments represent short-term investments, including those of Crown corporations, made to obtain a return on a temporary basis.

Temporary investments are recorded at the lower of cost or market value.

Accounts Receivable

All amounts receivable at the year-end for work performed, goods supplied or services rendered are recorded as part of the revenue of the fiscal year. Provision is made where collectibility is considered doubtful.

Due From Crown Corporations and Agencies

Amounts due from Crown corporations and agencies represent advances which will be realized in the following year. No provision for doubtful collection has been considered necessary with respect to these accounts.

Mortgages Receivable

Mortgages receivable are secured by real estate and are repayable over periods ranging up to thirty years. Provision is made where collectibility is considered doubtful.

Prepaid Program Costs

Prepaid program costs represent expenditures made during the fiscal year for work to be performed, goods to be supplied, services to be rendered or contractual obligations to be fulfilled by outside parties in a subsequent fiscal year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

1. Significant Accounting Policies—Continued

Inventories

Inventories comprise items held for resale and are recorded at the lower of cost or net realizable value. Inventories of supplies are charged to the respective programs when the cost is incurred.

Investments in Crown Corporations—at Equity

Investments in those Crown corporations which have been identified as Transportation and Commercial enterprises and which are intended to be run on commercial lines are recorded on an equity basis of accounting. Under this method the Province records its investments (including long-term advances) at cost, adjusted for increases and decreases in the investees' net assets. Since the Government ensures the ongoing activities of these enterprises, full account is taken of losses in the investee companies, even where the cumulative losses exceed the original investment.

Property Under Development

Property under development is comprised of all property which will eventually be sold to outside parties. Such property is recorded at the lower of cost or net realizable value.

Fixed Assets

Disbursements for fixed assets are recorded as expenditures in the year the assets are received. Consistent with the reporting of fixed assets as expenditures, highways, bridges, wharves, ferries and ferry landings, buildings, office equipment, furniture, automobiles and Crown land comprised of parks, forests and all other publicly held land in the Province are recorded at a nominal value of $1.

Deferred Charges and Other Assets

Deferred charges including unamortized debt discounts are long-term prepayments for expenditure, other than of a capital nature, the benefit of which will extend over a period of years.

Other assets include loans, investments and advances which are recorded at cost adjusted for any permanent impairment in value.

Accounts Payable and Accrued Liabilities

All amounts payable for work performed, goods supplied, services known to have been rendered or for charges incurred in accordance with the terms of a contract are recorded as part of the expenditure of the fiscal year.

Due to Crown Corporations and Agencies

Amounts due to Crown corporations and agencies represent liabilities incurred which are payable in the following year.

Deferred Revenue

Deferred revenue represents amounts received prior to the year-end in payment of revenue that will be earned in subsequent fiscal years.

Guaranteed Debt

Guaranteed debt represents debt of municipalities and other governments, Provincial Crown corporations, agencies and private enterprises guaranteed by the Province as to net principal and accrued interest outstanding.

2. Cash and Temporary Investments

Included in temporary investments are bonds and notes of certain Crown corporations amounting to $27,061,279 (1982: $154,115,260).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

3. Accounts Receivable

	1983	1982
	$	$
Government of Canada	36,746,297	57,361,113
British Columbia municipalities—*re:* shared-cost programs	31,452,207	3,085,286
Taxes receivable	199,267,254	186,112,181
Timber royalty, stumpage and range fees	43,005,413	39,178,627
School districts, library districts, improvement districts, water districts, co-operative associations, local areas and other	193,444,050	54,663,798
Ministerial advances and sundry agencies	3,928,265	4,466,758
Trade accounts and other receivables of the:		
Crown Land	1,578,836	24,866,190
British Columbia Liquor Distribution Branch	586,537	680,165
Provincial Home Acquisition		3,405,000
Queen's Printer	208,827	335,057
Lottery Fund	8,100,431	3,108,664
Farm Income Assurance Fund	22,096,749	14,661,380
Accrued interest receivable	11,743,546	20,105,948
Land sales—principal	4,659,831	5,094,748
Water and power licence fees	510,368	348,760
Court fees	4,192,040	6,508,669
Sundry fees	16,697,173	8,358,615
Financial Administration Act, sec. 22	7,643,822	
Miscellaneous accounts receivable	2,108,020	409,862
Accounts receivable of consolidated Crown corporations:		
British Columbia Buildings Corporation	2,764,000	4,480,000
British Columbia Health Care Research Foundation	122,805	240,218
British Columbia Heritage Trust	68,292	80,120
British Columbia Housing Management Commission	8,938,565	7,958,097
British Columbia Petroleum Corporation	30,245,174	55,528,214
British Columbia Place Ltd.	1,340,000	12,794,000
British Columbia Systems Corporation	703,097	
Creston Valley Wildlife Management Authority Trust Fund		359
Discovery Foundation	164,709	113,394
Expo 86 Corporation	25,976	43,311
Health Facilities Association of British Columbia	796,716	1,863,641
Knowledge Network of the West Communications Authority	1,812,288	74,680
Legal Services Society	51,321	109,666
Medical Services Commission of British Columbia	673,232	1,678,976
Provincial Capital Commission	140,602	132,857
Science Council of British Columbia	50,259	58,812
University of British Columbia Health Sciences Centre		833,000
	635,866,702	518,740,166

4. Due From Crown Corporations and Agencies

	1983	1982
	$	$
British Columbia Assessment Authority	8,788	
British Columbia Cellulose Company	11,793	
British Columbia Development Corporation	1,115,981	6,101
British Columbia Educational Institutions Capital Financing Authority		1,110,067
British Columbia Ferry Corporation	1,745,930	3,289,072
British Columbia Hydro and Power Authority	12,689,861	8,323,878
British Columbia Railway Company	231,459	
British Columbia School Districts Capital Financing Authority		6,753
British Columbia Steamship Company (1975) Ltd	8,514	
British Columbia Transit	864,600	
Insurance Corporation of British Columbia	3,631,595	920,986
Workers' Compensation Board of British Columbia	2,386,510	1,518,128
Other	104,360	1,931,157
	22,799,391	17,106,142

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

5. Mortgages Receivable

	1983	1982
	$	$
Crown Land—first mortgages, fully secured, with terms of up to 30 years and interest rates varying from 4 per cent to 22¼ per cent	36,017,100	34,753,258
Provincial Home Acquisition—first and second mortgages pursuant to the *Provincial Home Acquisition Act* and the *Home Conversion and Leasehold Loan Act*, fully secured, with terms of up to 25 years and interest rates varying from 8¼ per cent to 15 per cent (net of provision for doubtful recoveries of $500,000)	214,298,039	149,400,504
Mortgages receivable in the following Crown corporations:		
British Columbia Heritage Trust	154,696	155,508
British Columbia Petroleum Corporation		127,844
British Columbia Place Ltd.	2,655,000	155,000
Health Facilities Association of British Columbia	5,243,223	4,712,021
	258,368,058	189,304,135

6. Prepaid Program Costs

	1983	1982
	$	$
British Columbia Petroleum Corporation, prepaid gas	65,536,556	34,634,188
Guaranteed Available Income for Need Act	56,831,444	32,676,327
Hospital Insurance Act	23,333,800	
Other	11,775,107	5,537,815
	157,476,907	72,848,330

7. Inventories

	1983	1982
	$	$
British Columbia Liquor Distribution Branch	39,893,813	35,175,457
Ministry of Education	275,716	244,019
Ministry of Environment	559,517	406,355
Ministry of Finance	2,425,820	
Ministry of Health	1,196,036	2,251,122
Ministry of Labour	164,643	33,632
Ministry of Municipal Affairs	1,500	
Ministry of Provincial Secretary and Government Services	858,686	
	45,375,731	38,110,585

8. Investments in Crown Corporations —at equity

	1983			1982
	Shares and Advances	Unremitted Equity	Total	Total
	$	$	$	$
British Columbia Cellulose Company	2	3,879,073	3,879,075	9,071,627
British Columbia Development Corporation	57,981,000	353,299	58,334,299	49,515,155
British Columbia Ferry Corporation	5,849,700	1,288,809	7,138,509	42,392,509
British Columbia Harbours Board		21,997,000	21,997,000	28,239,270
British Columbia Hydro and Power Authority	8,070,096	493,821,000	501,891,096	520,651,096
British Columbia Railway Company	10,235,001	30,319,000	40,554,001	(744,999)
British Columbia Steamship Company (1975) Ltd.	5	2,087,808	2,087,813	1,042,104
British Columbia Transit	55,000,000	(590,000)	54,410,000	58,410,908
Housing Corporation of British Columbia	1	4,076,000	4,076,001	4,707,001
Insurance Corporation of British Columbia		12,494,000	12,494,000	12,470,000
Ocean Falls Corporation		(37,203,213)	(37,203,213)	(38,133,265)
Pacific Coach Lines Limited	2	5,556,194	5,556,196	4,991,831
Surrey Farm Products Investments Ltd.	1	(589,614)	(589,613)	(588,502)
	137,135,808	537,489,356	674,625,164	692,024,735

For details of the computation of these figures see pages C 26 and C 27.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

8. Investments in Crown Corporations—at equity—Continued

(a) British Columbia Railway Company

The Province holds the entire issued share capital of the British Columbia Railway Company (the Railway) and, pursuant to the *British Columbia Railway Finance Act* (formerly the *British Columbia Railway Construction Loan Act*), guarantees the payment of the principal and interest on all monies borrowed by the Railway. The historic cost of the shares was $230,572,900 and, at March 31, 1983 the amount of the debt guaranteed by the Province (net of sinking funds) was $876,650,456.

During the year ended March 31, 1980, in view of the cumulative deficit of the Railway, the Province's investment, which amounted to $185,572,900 at March 31, 1980, was written down to one dollar. An additional investment of $45 million made in March 1982 has been written off.

During the year ended March 31, 1982 the Government provided $70 million to be applied against the historic debt service charges of the Railway for its fiscal year ended January 1, 1982. The Government has provided an additional $70 million in the current year and intends to provide for the historic debt service charges on an ongoing basis.

The Railway's historic debt service charges for each of the next five fiscal years ending March 31, 1984 through March 31, 1988 are estimated to be $78.1, $78.1, $77.9, $78.5 and $77.0 million respectively.

(b) Ocean Falls Corporation

The Province, through Ocean Falls Corporation (the Corporation), is the owner of the newsprint mill and townsite at Ocean Falls, which were acquired in 1973 for a payment of $789,952. In subsequent years, the Province made additional advances to the Corporation which, together with accrued interest, approximated $12 million at March 31, 1980. Because of continuing losses incurred by the Corporation, both the investment and advance were fully provided for in the 1979/80 Public Accounts and written off by Order in Council in the 1980/81 fiscal year. In calculating the unremitted equity, full adjustment has been made to reflect this write down. After the debt to the Province had been forgiven, the Corporation had outstanding obligations of approximately $40 million at March 31, 1983.

No provision has been made in these consolidated financial statements for the existing liabilities of the Corporation. However, in order to prevent the accumulation of interest on the Corporation's loans, arrangements were continued during the year with a financial institution under which the Government maintains a deposit account equal to the Corporation's loan. No interest is to be earned on this deposit. In turn no interest is to be charged on the Corporation's loans. This arrangement will be maintained until a final evaluation of the Corporation's business is made.

(c) Housing Corporation of British Columbia

The operations of the Corporation are in the process of voluntary liquidation and the investment of $6,699,760 at March 31, 1980 has been recovered. Pending dissolution the investment is carried at the nominal value of $1 plus unremitted equity of $4,076,000.

9. Property Under Development

	1983	1982
	$	$
Crown Land—real estate	64,502,224	66,006,762

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

10. Fixed Assets

The values of fixed assets listed below are recorded in the accounts of the various consolidated entities, but for the purposes of these consolidated financial statements, the amounts have been reduced to a nominal value of $1 to conform with the accounting policies of the Government.

	1983			1982
	Cost	Accumulated Depreciation and Amortization	Net	Net
	$	$	$	$
British Columbia Buildings Corporation	634,601,000	94,462,000	540,139,000	506,447,000
British Columbia Heritage Trust	745,902		745,902	285,619
British Columbia Housing Management Commission	586,589	368,977	217,612	427,684
British Columbia Petroleum Corporation	476,751	220,270	256,481	288,068
British Columbia Place Ltd.	221,001,000	127,000	220,874,000	132,811,000
British Columbia Systems Corporation	56,783,000	4,198,000	52,585,000	26,713,000
Discovery Foundation	8,930,108	68,797	8,861,311	18,811,172
Expo 86 Corporation	3,009,802	36,396	2,973,406	89,510
Knowledge Network of the West Communications Authority	1,977,590	678,855	1,298,735	996,177
Provincial Rental Housing Corporation	88,950,082	11,567,179	77,382,903	78,403,124
	1,017,061,824	111,727,474	905,334,350	765,272,354

Consolidated entity assets, excluding land, are depreciated or amortized in the accounts of the individual entities primarily on a straight line basis over their estimated useful lives which range from 3 to 50 years.

11. Deferred Charges and Other Assets

	1983	1982
Investments—	$	$
British Columbia Regional Hospital Districts Financing Authority bonds	12,000,000	12,000,000
British Columbia School Districts Capital Financing Authority bonds	44,071,501	44,071,501
British Columbia Resources Investment Corporation	617	617
British Columbia Housing and Employment Development Financing Authority	935,838	
WLC Development Ltd.	1	
Loans under the—		
Farm Product Industry Act	670,277	1,842,728
Ministry of Industry and Small Business Development Act	27,724,794	26,000,050
Agricultural Land Development Act	19,395,812	19,040,180
Oyster Seed Program	18,151	38,201
Advances—		
City of Penticton	150,000	150,000
British Columbia Central Credit Union under Housing Initiative Program Agreement	172,215,965	183,245,637
Homeowner Assistance Act	39,198,096	
Agricultural Land Commission Act	641,775	
Deferred charges—Consolidated Revenue Fund	8,720,920	
Deferred charges—Consolidated Crown Corporations—		
British Columbia Buildings Corporation	43,767,000	
British Columbia Petroleum Corporation	299,506	
British Columbia Place Ltd.	866,000	
Discovery Foundation	3,225,660	
Expo 86 Corporation	5,506,278	
Health Facilities Association of British Columbia	117,964	
Provincial Capital Commission	4,608	
	379,530,763	286,388,914

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

12. Accounts Payable and Accrued Liabilities

	1983 $	1982 $
Consolidated Revenue Fund	432,284,465	459,022,835
Accounts payable of consolidated Crown corporations:		
British Columbia Buildings Corporation	44,038,856	31,975,757
British Columbia Health Care Research Foundation	1,642,277	1,085,951
British Columbia Heritage Trust	26,243	31,280
British Columbia Housing Management Commission	1,945,104	2,996,950
British Columbia Petroleum Corporation	24,326,513	40,925,194
British Columbia Place Ltd.	22,387,000	13,140,000
British Columbia Systems Corporation	15,367,485	12,585,754
Creston Valley Wildlife Management Authority Trust Fund	764	6,804
Discovery Foundation	696,571	1,863,073
Expo 86 Corporation	2,363,182	318,949
Health Facilities Association of British Columbia	5,249,514	6,395,662
Knowledge Network of the West Communications Authority	393,341	709,953
Legal Services Society	3,127,363	368,159
Medical Services Commission of British Columbia	90,363,868	95,790,009
Provincial Capital Commission	177,306	265,204
Provincial Rental Housing Corporation	4,455,830	12,848,262
Science Council of British Columbia	42,670	145,973
University of British Columbia Health Sciences Centre		2,456,000
Universities Council	25,455	15,499
	648,913,807	682,947,268

13. Due to Crown Corporations and Agencies

	1983 $	1982 $
British Columbia Assessment Authority	20,470	
British Columbia Development Corporation	927,000	
British Columbia Ferry Corporation	6,075,689	
British Columbia Hydro and Power Authority		7,796,175
British Columbia Transit (formerly Urban Transit Authority)		2,122,956
Insurance Corporation of British Columbia	3,896,893	
Simon Fraser University	1,276,191	828,085
University of British Columbia	3,330,684	2,687,615
University of British Columbia Health Sciences Centre	26,473	
University of Victoria	940,596	860,240
	16,493,996	14,295,071

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

14. Deferred Revenue

	1983 $	1982 $
Taxation—property tax	6,288,520	
Natural Resources Revenue—		
Minerals—permits and fees	19,041,000	15,351,694
Water resources—water rentals and recording fees	43,934,002	39,333,606
Timber sales	5,148,615	
Miscellaneous forest receipts	538,831	
Other Revenue—		
Beautiful British Columbia Magazine	1,073,250	
Land leases	2,963,212	3,551,529
Miscellaneous sales and services	1,683,399	2,464,030
Contributions From Other Governments—		
Canada—Canada Assistance Plan	7,712,328	9,113,022
Other shared cost programs	2,888,333	
Deferred Revenue of consolidated Crown corporations:		
British Columbia Housing Management Commission	270,480	50,355
British Columbia Petroleum Corporation	14,533,618	5,358,515
British Columbia Place Ltd.	536,000	
British Columbia Systems Corporation	1,539,000	2,200,000
Discovery Foundation	69,970	
Medical Services Commission of British Columbia	31,619,002	29,920,123
Provincial Capital Commission	8,653	10,741
	139,848,213	107,353,615

15. Unmatured Debt

	1983 Gross Debt $	*Less* Sinking Funds Net $	*Less* Debt Held by Consolidated Entities $	1983 Net Debt $	1982 Net Debt $
Debt issued by:					
Consolidated Revenue Fund	883,147,790			883,147,790	183,147,790
Crown Corporations:					
British Columbia Buildings Corporation	685,815,000	15,415,000	141,788,000	528,612,000	204,932,000
British Columbia Petroleum Corporation	30,000,000			30,000,000	
British Columbia Systems Corporation	63,422,000	611,000		62,811,000	8,559,000
Health Facilities Association of British Columbia	84,807,186	5,041,582		79,765,604	46,211,791
Provincial Rental Housing Corporation	74,948,183		28,236,399	46,711,784	47,139,238
	1,822,140,159	21,067,582	170,024,399	1,631,048,178	489,989,819

Debt repayment due in the next fiscal year is $783 million and due within the next five years is $1,230 million. Details of the various terms of repayment are available in the financial statements of each of the consolidated entities. Refer to Section G for Crown corporations' financial statements and to the Schedule of Unmatured Debt in Section B for Combined General and Special Purpose Fund details.

16. Contingencies and Commitments

(a) Guaranteed Debt

Guaranteed debt as at March 31, 1983 totalled $10,825 million. Included in guaranteed debt is the debt of municipalities and other local governments, Provincial Crown corporations and private enterprises guaranteed by the Province and Provincial Crown corporations as to net principal and accrued interest outstanding. See Schedule of Guaranteed Debt on pages C 28 and C 29 for details.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

16. Contingencies and Commitments—Continued

(b) Contingent Liabilities

(i) General

There are various contingent liabilities outstanding in the form of litigation, indemnities, indirect guarantees and outstanding claims. Because such amounts are uncertain, no liability has been recorded in these consolidated financial statements.

(ii) British Columbia Hydro and Power Authority (B.C. Hydro)

The powerplant and concrete dam contractor on the Revelstoke Project has made claims that he had to incur substantial unanticipated costs. The contractor has submitted claims with respect to the work performed to December 25, 1982 to a maximum amount of $108,313,557.

Also in February 1983, B.C. Hydro received from the earthfill dam contractor on the Revelstoke Project, a submission claiming reimbursement to completion of the work in the amount of $15,295,284 which is presently under review.

It is expected that B.C. Hydro will deny liability for the substantial part of all the claims made. Should any amount be paid by B.C. Hydro as a result of the claims, it will be capitalized as part of construction costs and included in fixed assets.

(iii) British Columbia Transit (formerly Urban Transit Authority)

During the fiscal year 1981/82, $60,000,000 was received from the Government of Canada to be applied to the purchase of vehicles and the prebuild section of the advanced light rapid transit project. British Columbia Transit is contingently liable for repayment of some or all of the funds until such time as certain provisions of the agreement dated February 26, 1982 have been completed.

(c) General Commitments

In addition, at the end of each year there are a number of general commitments outstanding for ongoing programs and operations.

For reporting purposes in these financial statements, future expenditures of fully consolidated entities are recorded as a charge in the year in which the work or service is performed. These include a liability for credits frozen under the Government's former sick leave plan which is estimated at a maximum of $75 million and commitments for capital construction projects totalling approximately $194 million. Minimum payments under leases and other operating commitments total approximately $164 million over the next five years.

Approved capital commitments for those entities reported on the equity basis total approximately $1,189 million and minimum payments under operating leases total approximately $77 million over the next five years.

(d) British Columbia Railway Company—Tumbler Ridge Branch Line

The British Columbia Railway Company (the Railway) is constructing the Tumbler Ridge Branch Line for the North East Coal Project to be completed in 1983 at a total estimated construction cost of $455 million (exclusive of interest). It is the intent of the Province to ensure that the Railway fully recovers the project's construction costs by contributing equity capital financing as permitted by economic conditions. The Province will recover a portion of these costs from revenue generated by this project.

Until such time as the project's construction costs are fully recovered by the Railway, the Province intends to ensure that the Railway recovers the financing costs related to this project by:

—subscribing for equity capital equivalent to the amount of interest capitalized by the Railway to the date of operations of the line, and

—subsequent to the date of operations, providing annual grants equivalent to the amount of interest charged by the Railway to its operations.

The Province subscribed for equity capital of $45 million during the 1981/82 fiscal year and an additional $16 million on July 1, 1983 which reimburses the Railway for capitalized interest incurred.

The Railway will incur, in relation to this project, the cost of additional coal related rolling stock and equipment as well as the cost of upgrading other facilities and improving lines in addition to the Tumbler Ridge Branch Line. It is anticipated that the Railway will recover these costs from increased revenues generated by this project. However, the Province has assured the Railway that if revenues are not sufficient to cover these costs that the Railway will be kept whole.

(e) Superannuation and Pension Actuarial Valuations

The Government has statutory responsibility for unfunded liabilities of the Public Service Superannuation Fund and the Teachers' Pension Fund as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

16. Contingencies and Commitments—Continued

	Public Service Superannuation as at March 31, 1980 $	Teachers' Pension as at December 31, 1980 $
Assets		
Fund	1,069,594,000	716,697,000
Present value of future contributions	1,071,750,000	1,805,273,000
	2,141,344,000	2,521,970,000
Unfunded Liability	631,172,000	1,019,270,000
Total Actuarial Liability	2,772,516,000	3,541,240,000
Next valuation will be	Mar. 31, 1984	Dec. 31, 1984

Key actuarial assumptions on which these balance sheets are based differ. Major assumptions include the amount of salary growth, the interest rate on fund assets, mortality rates, withdrawal rates and retirement age.

For the Public Service Superannuation Fund the actuarial report indicates that present funding levels would amortize the unfunded liability in 30 years. However, the *Pension (Public Service) Amendment Act, 1983* which received first reading on July 7, 1983 changes the contribution method to one under which the unfunded liability is never amortized but remains at about a constant proportion of total payrolls.

Teachers' Pension Fund uses a contribution method under which the unfunded liability is never amortized but remains at about a constant proportion of total payrolls. The actuarial report indicated that the unfunded liability was not a threat to the continued payment of pensions nor to the financial health of the plan.

See Section H of the Public Accounts for further details of these plans.

17. Workers' Compensation Board of British Columbia—Unfunded Liability

The Workers' Compensation Board of British Columbia, established under the *Workers Compensation Act*, delivers compensation and preventive medical services, sets and controls working conditions throughout the Province and provides education and rehabilitation services to injured employees. The Board funds its operations from assessments on businesses throughout the Province.

The Board is required in each year to provide capitalized reserves under the Accident and Silicosis Funds sufficient to meet payments of compensation accruing in future years in respect of all injuries occurring during the year. Provisions have proven to be insufficient and at December 31, 1982 cumulative actuarial liabilities exceeded the funded balances by approximately $504 million. The balance of the unfunded liability now exceeds one year's total class income.

18. Subsequent Events

Ocean Falls Corporation

During the 1983 summer session of the Legislature the Government introduced the *Ocean Falls Corporation Repeal Act*, (Bill 30). The purpose of this Act, which is to come into force by regulation of the Lieutenant Governor in Council, is to dissolve the Ocean Falls Corporation and to transfer its property and liabilities to the Crown.

British Columbia Cellulose Company

During the 1983 summer session of the Legislature the Government introduced the *British Columbia Cellulose Company Repeal Act* (Bill 29) which was to dissolve the Company and transfer all properties and liabilities to the Crown. The Act is to come into force by regulation of the Lieutenant Governor in Council.

British Columbia Harbours Board

During the 1983 summer session of the Legislature the Government introduced the *Harbour Board Repeal Act* (Bill 25) which is to dissolve the British Columbia Harbours Board and to provide for the transfer of its assets to the British Columbia Development Corporation and the British Columbia Railway Company.

Pacific Coach Lines Ltd.

In the budget speech of July 7, 1983 the Government announced its intention to sell Pacific Coach Lines Ltd. and is presently in the process of negotiating the sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

18. Subsequent Events—Continued

British Columbia Systems Corporation

The Government has announced its decision to sell the British Columbia Systems Corporation. Details of the sale have not been finalized.

Fiscal Stabilization Program

The Province has made a claim against the Federal Government under Part II of the *Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977*. This Part provides authority for payments to be made by the Federal Government to a province in respect of any year in which the province's revenues from its own sources decline from the level of the previous year by an amount in excess of the levels defined by the Act and Regulations. Final settlement to the Province must be made no later than May 31, 1985, and will be credited to revenue in the year in which it is received.

19. Comparatives

Certain of the comparative figures for the year ended March 31, 1982 have been reclassified to conform with the current year's presentation. These reclassifications have had no effect on the operating results as previously reported.

CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF ENTITIES RECORDED ON A CONSOLIDATED OR EQUITY BASIS
FOR THE FISCAL YEAR ENDED MARCH 31, 1983

CROWN SERVICE CORPORATIONS
RECORDED ON CONSOLIDATED BASIS

British Columbia Buildings Corporation
British Columbia Systems Corporation

PROVINCIAL CORPORATIONS AND AGENCIES
RECORDED ON CONSOLIDATED BASIS

British Columbia Health Care Research Foundation
British Columbia Heritage Trust
British Columbia Housing Management Commission
British Columbia Petroleum Corporation
British Columbia Place Ltd.
Creston Valley Wildlife Management Authority Trust Fund
Discovery Foundation
Expo 86 Corporation
Health Facilities Association of British Columbia
Knowledge Network of the West Communications Authority
Legal Services Society
Medical Services Commission of British Columbia
Provincial Capital Commission
Provincial Rental Housing Corporation
Science Council of British Columbia
Universities Council

TRANSPORTATION AND COMMERCIAL ENTERPRISES
RECORDED ON EQUITY BASIS

British Columbia Cellulose Company
British Columbia Development Corporation
British Columbia Ferry Corporation
British Columbia Harbours Board
British Columbia Hydro and Power Authority
British Columbia Railway Company
British Columbia Steamship Company (1975) Ltd.
British Columbia Transit (Formerly Urban Transit Authority)
Housing Corporation of British Columbia
Insurance Corporation of British Columbia—excluding the Insurance (Motor Vehicle) Act Fund
Metro Transit Operating Company
Ocean Falls Corporation
Pacific Coach Lines Limited
Surrey Farm Products Investments Ltd.

NOTE: University of British Columbia Health Sciences Centre became a Hospital Society effective March 31, 1982 and is no longer consolidated with Provincial Corporations and Agencies.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 1983

SCHEDULE OF OPERATING RESULTS OF CONSOLIDATED CROWN CORPORATIONS

	1983						1982
	Earnings (losses) per consolidated Crown corporations' financial statements $	Adjustments to net assets per consolidated Crown corporations' financial statements $	Earnings (losses) prior to consolidation $	*Accounting Policy Adjustments*[1] Write-off of fixed assets $	*Accounting Policy Adjustments*[1] Other $	**Net earnings (losses) for the year $**	**Net earnings (losses) for the year $**
Crown Service Corporations							
British Columbia Buildings Corporation	16,579,000		16,579,000	(46,059,000)	4,786,069	**(24,693,931)**	**(62,612,176)**
British Columbia Systems Corporation	20,000		20,000	(25,872,000)	(6,280,000)	**(32,132,000)**	**(15,713,000)**
	16,599,000		16,599,000	(71,931,000)	(1,493,931)	**(56,825,931)**	**(78,325,176)**
Provincial Corporations and Agencies							
British Columbia Health Care Research Foundation	(162,390)		(162,390)	(260,783)		**(423,173)**	**154,859**
British Columbia Heritage Trust	324,947		324,947			**324,947**	**895,852**
British Columbia Housing Management Commission	1,101,583	(78,813)	1,022,770	210,072	4,609,474	**5,842,316**	**1,734,455**
British Columbia Petroleum Corporation	96,048,923	(92,589,212)	3,459,711	31,587	(3,459,711)	**31,587**	**843,748**
British Columbia Place Ltd.				(88,063,000)	(65,000,000)	**(153,063,000)**	**(9,086,435)**
Creston Valley Wildlife Management Authority Trust Fund	22,593		22,593		(7,514)	**15,079**	**48,631**
Discovery Foundation	(3,458,931)	(823,632)	(4,282,563)	9,949,861	1,000,000	**6,667,298**	**(12,891,105)**
Expo 86 Corporation		(384,449)	(384,449)	(2,883,896)		**(3,268,345)**	**228,676**
Health Facilities Association of British Columbia	(27,135,324)		(27,135,324)		12,287	**(27,123,037)**	**(8,354,277)**
Knowledge Network of the West Communications Authority	655,303		655,303	(302,558)		**352,745**	**428,788**
Legal Services Society	(1,495,291)	(414,829)	(1,910,120)			**(1,910,120)**	**442,595**
Medical Services Commission of British Columbia	(6,526,307)		(6,526,307)			**(6,526,307)**	**(57,664,334)**
Provincial Capital Commission	(34,372)		(34,372)		(791)	**(35,163)**	**50,345**
Provincial Rental Housing Corporation	1,024,846	(1,024,846)		1,020,221	(35,568)	**984,653**	**3,396,676**
Science Council of British Columbia	(411,059)		(411,059)			**(411,059)**	**2,162,241**
Universities Council	21,245		21,245			**21,245**	**85,669**
University of British Columbia Health Sciences Centre[2]					1,234,000	**1,234,000**	**4,014,604**
	59,975,766	(95,315,781)	(35,340,015)	(80,298,496)	(61,647,823)	**(177,286,334)**	**(73,509,012)**
Total	76,574,766	(95,315,781)	(18,741,015)	(152,229,496)	(63,141,754)	**(234,112,265)**	**(151,834,188)**

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[1] Accounting policy adjustments are made so that the net earnings (losses) of consolidated entities are calculated in accordance with the accounting policies adopted by the Government as described in note 1, Basis of Accounting, page C 12.

[2] University of British Columbia Health Sciences Centre became a Hospital Society by means of a transfer agreement with the University of British Columbia, effective March 31, 1982, and it is no longer considered appropriate to consolidate this entity. Net equity has been written off in the current year.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 1983

SCHEDULE OF EQUITY IN COMMERCIAL ENTERPRISES

	1983							
	British Columbia Cellulose Company	British Columbia Development Corporation[1]	British Columbia Hydro and Power Authority[2]	Housing Corporation of British Columbia	Insurance Corporation of British Columbia[3]	Ocean Falls Corporation	Surrey Farm Products Investments Ltd.	**Total**
	$	$	$	$	$	$	$	**$**
Earnings (losses) for the year before extraordinary items	(192,552)	(6,661,856)	58,240,000	467,000	24,000	(2,219,948)	(1,111)	**49,655,533**
Extraordinary items			(77,000,000)					**(77,000,000)**
Net earnings (losses) for the year	(192,552)	(6,661,856)	(18,760,000)	467,000	24,000	(2,219,948)	(1,111)	**(27,344,467)**
Unremitted earnings (losses)—beginning of year	9,071,625	7,015,155	512,581,000	4,707,000	12,470,000	(49,967,670)	(588,503)	**495,288,607**
Transfers to Government	(5,000,000)			(3,000,000)				**(8,000,000)**
Unremitted earnings (losses)—end of year	3,879,073	353,299	493,821,000	2,174,000	12,494,000	(52,187,618)	(589,614)	**459,944,140**
Equity contributed and transferred				1,902,000		14,984,405		**16,886,405**
Unremitted equity—end of year	3,879,073	353,299	493,821,000	4,076,000	12,494,000	(37,203,213)	(589,614)	**476,830,545**
Recorded by the Government:								
Shares and other investments	2	42,500,000	8,070,096	1			1	**50,570,100**
Advances		15,481,000						**15,481,000**
Total Equity	3,879,075	58,334,299	501,891,096	4,076,001	12,494,000	(37,203,213)	(589,613)	**542,881,645**

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[1] The amount shown above for the British Columbia Development Corporation does not include $32,282,685 of the Government of British Columbia's funds held in trust and administered by the Corporation under the Low Interest Loan Assistance Program (L.I.L.A.).

[2] The amount shown as an extraordinary item for the British Columbia Hydro and Power Authority ($77,000,000) represents the write-off of the Hat Creek project costs.

[3] The amount shown above for the Insurance Corporation of British Columbia does not include the activities of the Insurance (Motor Vehicle) Act Fund, which operates as a self-sustaining entity; the profit for the year ended December 31, 1982 in this Fund was $3,200,000.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 1983

SCHEDULE OF EQUITY IN TRANSPORTATION COMPANIES AND COMMERCIAL ENTERPRISES

	1983										1982
	British Columbia Ferry Corporation $	British Columbia Harbours Board $	British Columbia Railway Company $	British Columbia Steamship Company (1975) Ltd $	British Columbia Transit $	Metro Transit Operating Company $	Pacific Coach Lines Limited $	Transportation Companies Total $	Commercial Enterprises (page C 26) $	Transportation Companies and Commercial Enterprises Total $	Transportation Companies and Commercial Enterprises Total $
Earnings (losses) for the year before Provincial grants	(78,961,000)	3,757,730	(40,126,000)	(942,016)	(80,584,908)		(7,252,427)	(204,108,621)	49,655,533	(154,453,088)	(73,758,870)
Provincial grants	43,000,000		58,710,000		76,584,000		7,816,792	186,110,792		186,110,792	204,253,664
Earnings and (losses) for the year before extraordinary items	(35,961,000)	3,757,730	18,584,000	(942,016)	(4,000,908)		564,365	(17,997,829)	49,655,533	31,657,704	130,494,794
Extraordinary items	1,153,000							1,153,000	(77,000,000)	(75,847,000)	
Net earnings (losses) for the year	(34,808,000)	3,757,730	18,584,000	(942,016)	(4,000,908)		564,365	(16,844,829)	(27,344,467)	(44,189,296)	130,494,794
Unremitted earnings (losses)—beginning of year[2]	36,542,809	18,239,270	(332,690,000)	(6,657,901)	3,410,908		2,500,463	(278,654,451)	495,288,607	216,634,156	21,485,947
Transfers from (to) Government	(446,000)							(446,000)	(8,000,000)	(8,446,000)	64,653,415
Unremitted earnings (losses)—end of year[2]	1,288,809	21,997,000	(314,106,000)	(7,599,917)	(590,000)		3,064,828	(295,945,280)	459,944,140	163,998,860	216,634,156
Equity contributed and transferred[2]			344,425,000	9,687,725			2,491,366	356,604,091	16,886,405	373,490,496	343,735,771
Unremitted equity—end of year[1]	1,288,809	21,997,000	30,319,000	2,087,808	(590,000)		5,556,194	60,658,811	476,830,545	537,489,356	560,369,927
Recorded by the Government:											
Shares and other investments	5,849,700		10,235,001	5			2	16,084,708	50,570,100	66,654,808	66,654,808
Advances					55,000,000			55,000,000	15,481,000	70,481,000	65,000,000
Total Equity	7,138,509	21,997,000	40,554,001	2,087,813	54,410,000		5,556,196	131,743,519	542,881,645	674,625,164	692,024,735

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[1] The net decrease in unremitted equity from $560,369,927 in 1981/82 to $537,489,356 in 1982/83 of ($22,880,571) is comprised of the net decrease in unremitted earnings of ($52,635,296) and the net increase in equity contributed and transferred of $29,754,725. (Refer to C 9).

[2] Certain of the 1982 comparative figures have been reclassified to conform with the current year's presentation, which has been modified to facilitate reconciliations to the financial statements of the transportation and commercial enterprises. The reclassifications have had no effect on unremitted equity.

CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULE OF GUARANTEED DEBT
FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Debt of municipalities and other local governments, Provincial Crown corporations and private enterprises guaranteed by the Province and Provincial Crown corporations as to net principal and accrued interest outstanding.

	1983			1982
	Gross Outstanding[2]	Net Sinking Funds[2]	Net Outstanding	Net Outstanding
	$	$	$	$
Municipalities and other local governments—				
(1) Guarantees authorized pursuant to the *School Act*, sec. 232 (principally funded)	1,290,206,223			
Less: held by British Columbia School Districts Capital Financing Authority	(1,290,206,223)			
	—			1,012,092
(2) Guarantees authorized pursuant to the *Educational Institution Capital Finance Act*, sec. 9	27,958,018			
Less: held by the British Columbia Educational Institutions Capital Financing Authority	(27,958,018)			
	—			
(3) Guarantees authorized pursuant to the *Hospital District Act*, sec. 41	754,065,592			
Less: held by British Columbia Regional Hospital Districts Financing Authority	(754,065,592)			
	—			
(4) Guarantees authorized pursuant to the *Municipalities Assistance Act*, sec. 3 (serials)	14,892,573		14,892,573	17,720,464
(5) Guarantees authorized pursuant to the *Municipal Act*, part 25, sec. 854, debentures (principally serials)	25,030,469	7,642,568	17,387,901	17,818,424
(6) Greater Vancouver Sewerage and Drainage District debentures (some serials)	16,713,865	16,713,865		353,693
Subtotal, municipalities and other local governments	56,636,907	24,356,433	32,280,474	36,904,673
Health and education—				
(7) Guarantees authorized pursuant to the *Educational Institution Capital Finance Act*, sec. 9—				
Debentures—funded[1]	323,922,766	13,313,981	310,608,785	231,614,770
(8) Guarantees authorized pursuant to the *Hospital District Finance Act*, sec. 9—				
Debentures—funded[1]	841,778,130	154,978,842	686,799,288	580,870,677
(9) Guarantees authorized pursuant to the *School District Capital Finance Act*, sec. 9[1]—				
Debentures—funded	1,393,617,322	379,673,341	1,013,943,981	866,357,531
— unfunded	8,022,681		8,022,681	11,880,801
Subtotal, health and education	2,567,340,899	547,966,164	2,019,374,735	1,690,723,779
Economic development—				
(10) Guarantees authorized pursuant to the *British Columbia Cellulose Company Act*, sec. 8[1]—	13,130,046		13,130,046	17,455,650
(11) Guarantees authorized pursuant to the *Ferry Corporation Act*, sec. 18[1]—				
Bonds and debentures—unfunded series	28,688,686		28,688,686	28,688,686
—notes	30,271,068		30,271,068	
(12) Guarantees authorized pursuant to the *British Columbia Railway Finance Act*, sec. 10[1]—				
Bonds and debentures—funded	774,054,117	131,178,905	642,875,212	668,949,087
Notes—unfunded	233,775,244		233,775,244	88,086,630
(13) Guarantees authorized pursuant to the *Development Corporation Act*, sec. 15[1]	151,138,976			
Less: held by the British Columbia Housing and Employment Development Financing Authority	(8,204,675)			
	142,934,301		142,934,301	111,038,171

(14) Guarantees authorized pursuant to the *Ministry of Transportation and Highways Act*, sec. 66, re: British Columbia Steamship Company (1975) Ltd.[1]	3,936,895		3,936,895	3,423,707
(15) Guarantees authorized pursuant to the *British Columbia Transit Act*, sec. 22[1]—				
Bonds and debentures	37,648,682		37,648,682	
Notes	20,005,068		20,005,068	55,000,000
Capital leases	26,429,242		26,429,242	
(16) Guarantees authorized pursuant to the *Farm Product Industry Act*, sec. 2	4,118,039		4,118,039	6,103,884
(17) Guarantees authorized pursuant to the *Agricultural Credit Act*, sec. 3	4,249,675		4,249,675	4,280,171
(18) Guarantees authorized pursuant to the *Harbour Board Act*, secs. 18 and 30.1[1]	6,226,751		6,226,751	
(19) Guarantees authorized pursuant to the *Housing and Employment Development Financing Act*, secs. 5 and 6[1]—				
Bonds and debentures	6,191,788		6,191,788	
Notes	2,012,888		2,012,888	
Subtotal, economic development	1,333,672,490	131,178,905	1,202,493,585	983,025,986
Utilities —				
(20) Guarantees authorized pursuant to the *Hydro and Power Authority Act*, sec. 44[1]—				
Bonds and debentures—funded	8,249,033,446	587,696,889	7,661,336,557	7,154,680,886
Grand total, all guaranteed debt	12,206,683,742	1,291,198,391	10,915,485,351	9,865,335,324
Less: Amounts included above held as investments by General and Special Purpose Funds	107,776,635	17,262,950	90,513,685	192,443,388
Net total, all guaranteed debt	12,098,907,107	1,273,935,441	10,824,971,666	9,672,891,936

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[1] See Section G of the Public Accounts for details of maturity dates, interest rates, and redemption features of the outstanding debt of these Crown agencies.

[2] Gross outstanding debt as at March 31, 1983 includes accrued interest of $380.3 million. Debt payable in United States currency is recorded in Canadian dollars at the rate of exchange prevailing at March 31, 1983.

Sinking funds comprise cash and investments recorded at cost, plus accrued interest of $33 million, with the exception of item 6 which is shown at an adjusted value equivalent to the gross outstanding funded debt. The market value of these sinking fund investments was approximately $1,292 million at March 31, 1983; however, these are not considered to be temporary investments, since it is generally the Government's policy not to redeem them prior to maturity, at which time the par value is realized.

The Government is directly responsible for paying 56 to 100 per cent of debt service costs for health and education debt through various grant formulas. In 1982/83 these contributions totalled approximately $214 million or 67 per cent of the debt service costs. The Government also pays a portion of the debt service costs of some economic development enterprises. No such contribution is made for utilities.

As a result of Government financing policies $3.7 billion of the guaranteed debt is held in investment accounts included in these financial statements and in other Provincial public sector superannuation and pension funds. Canada Pension Plan funds made available to the Government ($3.4 billion) are also invested in these securities but are subject to redemption on six months' notice by the Federal Minister of Finance.

Between the year end and August 15, 1983 there have been additional debt issues net of redemptions guaranteed by the Province totalling $658.7 million.

SECTION D

TRUST FUNDS UNDER ADMINISTRATION

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Report of the Auditor General	D 5
Statement of Financial Position	D 6
Statement of Changes in Trust Balances	D 8
Notes to Trust Funds Under Administration	D 10
Schedule of Investment Portfolio of the Government	D 12

TRUST FUNDS UNDER ADMINISTRATION

PREAMBLE

Trust Funds Under Administration are funds held and administered in trust for others; the Government has no power of appropriation over these funds. Basically two types of accounts exist: actively managed funds and custodial deposits. The actively managed funds require the Government to perform the following functions—set investment policy; control the collection of contributions, instalments and other receipts; disburse payments; and perform other administrative and miscellaneous transactions related to the funds. The Government's involvement with custodial deposits is merely to hold assets according to conditions set by agreements or statutes. Each category is more fully disclosed in Note 1 of this section.

In the past the total assets and fund balances for Trust Funds Under Administration were disclosed as a note to the main financial statements of the Province. This new section of the Public Accounts provides expanded information on the financial position and changes in balances for each major category of the Trust Funds.

REPORT OF THE AUDITOR GENERAL ON THE TRUST FUNDS UNDER ADMINISTRATION INCLUDED IN THE PUBLIC ACCOUNTS OF THE PROVINCE OF BRITISH COLUMBIA

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
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V8V 1X4

To the Legislative Assembly
of the Province of British Columbia
Parliament Buildings
Victoria, British Columbia

I have examined the financial statements of the Trust Funds Under Administration of the Government of the Province of British Columbia for the fiscal year ended March 31, 1983 as presented in Section D of the Public Accounts, and the related supplementary schedule contained in sub-sections D12 through D15. These financial statements are:

Statement of Financial Position
Statement of Changes in Trust Balances
(including Notes to Trust Funds
Financial Statements)

My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances. I have received all the information and explanations I have required for the purpose of my examination.

I report in accordance with section 7 of the *Auditor General Act*. In my opinion, these trust funds financial statements present fairly the financial position of the Trust Funds Under Administration of the Government of the Province of British Columbia as at March 31, 1983 and the changes in trust balances for the year then ended in accordance with the stated accounting policies as set out in Note 1 to the trust funds financial statements applied on a basis consistent with that of the preceding year.

I emphasize that this report is limited under section 7 of the Act to an opinion on presentation of the financial statements in accordance with the stated accounting policies of the Government. Under section 8 of the Act I report separately on other matters resulting from my examination that I consider should be brought to the attention of the Legislative Assembly. That report will be presented at a future date.

Erma Morrison

Victoria, British Columbia
31 August 1983

ERMA MORRISON, F.C.A.
Auditor General

TRUST FUNDS UNDER ADMINISTRATION
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 1983

Actively Managed:	Cash and Temporary Investments $	Receivables $	Other Investments[1] $	Shares[2] $	Less Accounts Payable $	Trust Balances 1983 $	Trust Balances 1982 $
Superannuation and Pension Funds							
Public Service Superannuation Fund	629,959,919	52,150,114	840,190,318	15,766,010	221,298	1,537,845,063	1,263,906,944
Municipal Superannuation Fund	488,554,217	58,064,683	964,008,164		1,369,262	1,509,257,802	1,241,630,590
Teachers' Pensions Fund	388,851,832	41,025,836	729,776,325		2,510,540	1,157,143,453	947,490,851
College Pension Fund	46,236,515	3,544,886	40,786,377		116,612	90,451,166	69,719,066
British Columbia Hydro and Power Authority Pension Fund	88,160,253	11,020,966	275,234,301		350,704	374,064,816	307,940,940
British Columbia Power Commission Superannuation Fund	4,832,314	657,812	21,851,506		54,724	27,286,908	26,165,339
British Columbia Railway Company Pension Fund	30,025,430	4,759,832	52,158,328		75,399	86,868,191	70,648,030
Members of the Legislative Assembly Superannuation Account	2,682,992	73,744	1,100,045		62,734	3,794,047	3,120,456
Workers' Compensation Board Superannuation Fund	6,947,868	1,886,615	35,777,925		10,130	44,602,278	35,010,863
Total Superannuation and Pension Funds	1,686,251,340	173,184,488	2,960,883,289	15,766,010	4,771,403	4,831,313,724	3,965,633,079
Sinking Funds							
British Columbia Buildings Corporation	12,996,988	424,077	2,037,541		20,091	15,438,515	10,230,177
British Columbia Ferry Corporation							12,635,473
British Columbia Hydro and Power Authority	165,974,256	13,267,787	408,881,198		426,352	587,696,889	543,300,822
British Columbia Railway Company	18,885,094	3,062,424	109,337,258		105,871	131,178,905	148,436,180
British Columbia Regional Hospital Districts Financing Authority	75,405,854	3,942,733	75,754,734		124,479	154,978,842	121,137,895
British Columbia School Districts Capital Financing Authority	125,983,779	10,023,760	251,717,653		8,051,852	379,673,340	372,131,833
Greater Vancouver Sewerage and Drainage District	8,806,684	606,736	16,340,596		35,777	25,718,239	22,731,296
Other	15,915,894	578,142	5,109,048		37,740	21,565,344	13,596,116
Total Sinking Funds	423,968,549	31,905,659	869,178,028		8,802,162	1,316,250,074	1,244,199,792

Other Managed Trust Funds							
British Columbia Buildings Corporation Trust Account	8,000,000	16,567				8,016,567	129,266
British Columbia Ferry Corporation Trust Account	8,676,901	2,846			3,845	8,675,902	1,155,267
British Columbia Housing and Employment Development Financing Authority Trust	2,000,000	202,138	6,000,000			8,202,138	
British Columbia Hydro and Power Authority Trust Account	97,004,517	186,258			65,736	97,125,039	438,167,341
British Columbia Railway Company Trust Account	8,902,988	183,372				9,086,360	5,514,092
British Columbia School Districts Capital Financing Authority Trust	94,337	1,476,690	59,893,795		1,476,459	59,988,363	6,750
British Columbia Systems Corporation Trust Account	7,558,846	59,529				7,618,375	18,152,309
Health Facilities Association of British Columbia Trust	17,996,489	160,991			4,418	18,153,062	10,466,696
Public Service Long Term Disability Plan	29,473,887	1,343,934	1,987,015		45,665	32,759,171	24,361,501
Crown Corporations Long Term Disability Plan	5,747,197	398,405	346,260		5,465	6,486,397	4,973,443
Other	8,278,067	283,535			41,354	8,520,248	97,627,387
Total Other Managed Trust Funds	193,733,229	4,314,265	68,227,070		1,642,942	264,631,622	600,554,052
Custodial Deposits:							
Held Under the Jurisdiction of:							
Public Trustee and Official Administrators							
Estate Administration Act	33,333,177	750,133	3,794,398		104,874	37,772,834	31,670,160
Patients Property Act	75,642,072	4,854,910	37,146,323		1,376,114	116,267,191	81,454,394
Infants Act	14,646,270	589,451	1,090,522			16,326,243	12,547,673
Public Trustee Act and Trustee Act	5,386,567	53,527	1,956,982			7,397,076	3,189,198
Supreme and County Court Rules (Suitors' Funds)	34,874,162	294,842	18,761,631		11,709	53,918,926	60,847,354
Workers' Compensation Board, Accident Fund	481,478,360	53,844,104	792,976,768			1,328,299,232	1,041,261,979
Other Acts and Miscellaneous Deposits	29,292,696	808,250	22,774,211		90,000	52,785,157	63,297,677
Total Custodial Deposits	674,653,304	61,195,217	878,500,835		1,582,697	1,612,766,659	1,294,268,435
Total Trust Funds Under Administration	2,978,606,422	270,599,629	4,776,789,222	15,766,010	16,799,204	8,024,962,079	7,104,655,358

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[1] Comprised mainly of Long Term, Fixed Interest Investments.

[2] Consist of shares held in public companies as authorized under section 36 of the *Financial Administration Act* (S.B.C. 1981, chap. 15).

The accompanying notes and supplementary schedule are an integral part of these financial statements.

Approved on behalf of the Ministry of Finance:

L. I. BELL
Deputy Minister of Finance and Secretary of Treasury Board

D. B. MARSON
Acting Comptroller General

TRUST FUNDS UNDER ADMINISTRATION
STATEMENT OF CHANGES IN TRUST BALANCES FOR THE YEAR ENDED MARCH 31, 1983

Actively Managed:	Contributions and Transfers In $	Investment Income $	Pension Payments and Transfers Out $	Administration Fees and Other $	Net Change $	Trust Balances 1983 $	Trust Balances 1982 $
Superannuation and Pension Funds							
Public Service Superannuation Fund	182,165,993	163,015,209	71,243,083		273,938,119	1,537,845,063	1,263,906,944
Municipal Superannuation Fund	200,331,475	150,707,213	81,038,486	2,372,990	267,627,212	1,509,257,802	1,241,630,590
Teachers' Pension Fund	163,801,374	117,674,138	70,388,393	1,434,517	209,652,602	1,157,143,453	947,490,851
College Pension Fund	12,705,951	9,836,444	1,608,849	201,446	20,732,100	90,451,166	69,719,066
British Columbia Hydro and Power Authority Pension Fund	44,814,050	38,698,657	17,086,350	302,481	66,123,876	374,064,816	307,940,940
British Columbia Power Commission Superannuation Fund	36,062	2,328,229	1,220,442	22,280	1,121,569	27,286,908	26,165,339
British Columbia Railway Company Pension Fund	8,801,899	9,501,795	2,009,491	74,042	16,220,161	86,868,191	70,648,030
Members of the Legislative Assembly Superannuation Account	438,846	431,858	197,113		673,591	3,794,047	3,120,456
Workers' Compensation Board Superannuation Fund	6,459,624	5,468,835	2,337,044		9,591,415	44,602,278	35,010,863
Total Superannuation and Pension Funds	619,555,274	497,662,378	247,129,251	4,407,756	865,680,645	4,831,313,724	3,965,633,079

Sinking Funds	Instalments $	Investment Income $	Capital Disbursements $	Other Costs and Administration $	Net Change $	Trust Balances 1983 $	Trust Balances 1982 $
British Columbia Buildings Corporation	3,379,844	1,848,585		20,091	5,208,338	15,438,515	10,230,177
British Columbia Ferry Corporation		1,088,263	13,712,881	10,855	(12,635,473)		12,635,473
British Columbia Hydro and Power Authority	65,626,477	56,426,274	77,393,367	263,317	44,396,067	587,696,889	543,300,822
British Columbia Railway Company	8,865,300	20,720,361	46,737,065	105,871	(17,257,275)	131,178,905	148,436,180
British Columbia Regional Hospital Districts Financing Authority	17,195,769	16,769,657		124,479	33,840,947	154,978,842	121,137,895
British Columbia School Districts Capital Financing Authority	31,461,054	40,755,845	64,412,201	263,191	7,541,507	379,673,340	372,131,833
Greater Vancouver Sewerage and Drainage District	481,916	2,540,804		35,777	2,986,943	25,718,239	22,731,296
Other	6,572,140	2,194,650	759,822	37,740	7,969,228	21,565,344	13,596,116
Total Sinking Funds	133,582,500	142,344,439	203,015,336	861,321	72,050,282	1,316,250,074	1,244,199,792

	Capital Receipts $	Investment Income $	Capital Disbursements $	Other Costs and Administration $	Net Change $	Trust Balances 1983 $	Trust Balances 1982 $
Other Managed Trust Funds							
British Columbia Buildings Corporation Trust Account	490,546,632	2,210,264	484,869,595		7,887,301	8,016,567	129,266
British Columbia Ferry Corporation Trust Account	87,544,701	806,412	80,826,633	3,845	7,520,635	8,675,902	1,155,267
British Columbia Housing and Employment Development Financing Authority Trust	8,000,000	202,138			8,202,138	8,202,138	
British Columbia Hydro and Power Authority Trust Account	399,490,903	41,497,979	782,031,184		(341,042,302)	97,125,039	438,167,341
British Columbia Railway Company Trust Account	1,195,350,769	1,444,240	1,193,222,741		3,572,268	9,086,360	5,514,092
British Columbia School Districts Capital Financing Authority Trust	59,988,389	2,355,924	2,362,700		59,981,613	59,988,363	6,750
British Columbia Systems Corporation Trust Account	28,066,442	3,029,385	41,629,761		(10,533,934)	7,618,375	18,152,309
Health Facilities Association of British Columbia Trust	39,921,070	1,497,573	33,647,423	84,854	7,686,366	18,153,062	10,466,696
Public Service Long Term Disability Plan	11,155,583	3,994,494	6,477,671	274,736	8,397,670	32,759,171	24,361,501
Crown Corporations Long Term Disability Plan	1,694,823	770,296	917,627	34,538	1,512,954	6,486,397	4,973,443
Other	578,509,248	13,039,567	680,614,600	41,354	(89,107,139)	8,520,248	97,627,387
Total Other Managed Trust Funds	2,900,268,560	70,848,272	3,306,599,935	439,327	(335,922,430)	264,631,622	600,554,052

The accompanying notes and supplementary schedule are an integral part of these financial statements.

NOTES TO TRUST FUNDS UNDER ADMINISTRATION FOR THE FISCAL YEAR ENDED MARCH 31, 1983

1. Significant Accounting Policies

A. REPORTING ENTITY

Trust Funds Under Administration are comprised of superannuation funds, sinking funds, other managed trust funds and custodial deposits. These funds and deposits are held in trust for third parties and the Government has no power of appropriation over them.

(a) *Superannuation Funds*

The Government administers and is responsible for collection of employee contributions to certain superannuation and pension plans in accordance with the following acts and regulations:

Pension (Public Service) Act
Pension (Municipal) Act
Pension (Teachers) Act
Pension (College) Act
Legislative Assembly Allowances and Pension Act
British Columbia Hydro and Power Authority Pension Fund Regulations
British Columbia Power Commission Superannuation Fund Regulations
British Columbia Railway Company Pension Fund Rules and Regulations
Workers' Compensation Board Superannuation Fund Plan

The Government is responsible for the employer contributions and has statutory responsibilities with respect to unfunded liabilities under the *Pension (Public Service) Act*, the *Pension (Teachers) Act* and the *Legislative Assembly Allowances and Pension Act*. The Government has no statutory responsibilities with respect to unfunded liabilities under the other acts and regulations noted above.

(b) *Sinking Funds*

The Government holds in trust and manages sinking funds on behalf of various Crown corporations and public bodies. Instalments are received on a periodic basis from the Crown corporations and are invested by the Minister of Finance in his capacity as Trustee. The accumulated instalments, together with interest earned, less administrative costs, constitute the sinking funds. The purpose of these sinking funds is to provide for an orderly retirement of debts at maturity.

(c) *Other Managed Trust Funds*

These are funds of various Crown corporations and public bodies deposited with the Government for investment and administration. They include working capital surplus to their immediate needs, funds for capital transactions and long term disability funds.

(d) *Custodial Deposits*

(i) Public Trustee and Official Administrators

Trust officers are responsible for the recording, managing and reporting aspects of the accounts maintained under the *Infants Act*, *Patients Property Act*, *Estate Administration Act*, *Public Trustee Act* and *Trustee Act*. These officers ensure that funds received for payments on mortgages, receivables, property rentals and investments are managed within the requirements of the acts. The management of each account's disbursements for liabilities, maintenance costs and benefits along with the process of consolidating and closing of accounts is also done in accordance with the requirements of the acts.

(ii) Supreme and County Court Rules (Suitors' Funds)

As trustee of all Supreme and County Court accounts—which include such items as garnishees, infants' settlements and court awards—the Province records and reports the financial transactions in each area of these suitors' funds according to the instructions given by the courts.

(iii) Workers' Compensation Board Accident Fund

The Province acts only in an accounting and custodial capacity in the administration of the Workers' Compensation Board Accident Fund. The Province is informed of what investments have been purchased or sold and arranges for the settlement of the transactions and the delivery of securities. All securities are under joint registry of the Workers' Compensation Board and the Minister of Finance.

NOTES TO TRUST FUNDS UNDER ADMINISTRATION FOR THE FISCAL YEAR ENDED MARCH 31, 1983—Continued

1. Significant Accounting Policies—Continued

A. REPORTING ENTITY—Continued

(iv) Other Acts and Miscellaneous Deposits

Other acts and miscellaneous deposits include funds or securities lodged with the Province to meet conditions set out in the statutes such as the *Forest Act, Mines Act, Insurance Act* or *Trust Company Act*. The Province's function is only of a custodial nature, one in which it holds the assets in safekeeping and maintains the accounting records.

B. BASIS OF ACCOUNTING

Except where noted, these financial statements are prepared on an accrual basis.

(a) Temporary investments consist of deposits with chartered banks and other approved institutions. They are carried at cost.

(b) *Superannuation Funds*

(i) These financial statements show only the position of the funds as at March 31, 1983 and the changes in the fund balances for the year then ended and do not purport to show the adequacy of the funds to meet the obligations of the superannuation plans.

(ii) The long-term investments are carried at cost of acquisition adjusted as follows:

—premiums and discounts on single maturity bonds are amortized on a straight line basis over the life of the bonds,

—premiums and discounts on serial bonds are recognized as income when redemptions occur,

—shares are carried at cost adjusted annually by 7 per cent of the difference between cost or adjusted cost and market value,

—gains and losses on disposition of long-term bonds are deferred and amortized over the lesser of the remaining term of the bonds or twenty years.

(c) *Sinking Funds and Other Managed Trust Funds*

Long-term investments are carried at cost of acquisition. Premiums and discounts are recognized when redemptions occur.

(d) *Public Trustee*

Because of the nature of the activities of the Public Trustee in managing assets under various acts, and the need to promptly record these assets at the time of their receipt, various valuation methods are employed to provide for values which either approximate net realizable value, or are at a nominal value.

(e) *Workers' Compensation Board Accident Fund*

Long term investments are carried at cost of acquisition. Premiums and discounts are recognized when redemptions occur.

(f) *Other Acts and Miscellaneous Deposits*

(i) Other custodial deposits are reported on a cash basis. Income earned on security deposits is received directly by the depositors and is not reflected in these financial statements.

(ii) Securities held are reported at par value.

2. Change in Accounting Policy

The amortization of premiums, the adjustment of share values and the deferral and amortization of gains and losses for superannuation funds, as described in note 1, reflect a change in accounting policy during 1983. The immediate effect of the change in policy on fund balances is an increase of approximately $5 million.

TRUST FUNDS UNDER ADMINISTRATION

SCHEDULE OF INVESTMENT PORTFOLIO OF THE GOVERNMENT PURSUANT TO SECTION 36 (8) OF THE *FINANCIAL ADMINISTRATION ACT, 1981* AS AT MARCH 31, 1983

	1983			1982
	Temporary Investments	Long-Term Investments	Total	Total
	$	$	$	$
Obligations of or guaranteed by Canada	65,965,850	418,469,991	484,435,841	174,439,369
Obligations of or guaranteed by a Province	125,540,682	4,037,150,251	4,162,690,933	3,864,250,101
Obligations of or guaranteed by a savings institution	2,555,020,587	104,468,172	2,659,488,759	2,516,836,722
Securities issued by the Municipal Finance Authority of British Columbia		148,034,359	148,034,359	114,645,330
Commercial paper issued by a corporation incorporated under the laws of Canada or of a Province		2,616,930	2,616,930	2,616,930
Fully paid common shares of a corporation incorporated under the laws of Canada or of a Province		15,766,010	15,766,010	15,038,428
Total	2,746,527,119	4,726,505,713	7,473,032,832	6,687,826,880
Held as follows:				
Superannuation and pension funds (Note 1)	1,658,916,035	2,976,649,298	4,635,565,333	3,824,605,394
Sinking funds	421,294,073	869,178,028	1,290,472,101	1,211,286,412
Other managed trust funds	173,142,544	68,227,070	241,369,614	577,163,754
Custodial deposits	493,174,467	812,451,317	1,305,625,784	1,074,771,320
Total	2,746,527,119	4,726,505,713	7,473,032,832	6,687,826,880

TRUST FUNDS UNDER ADMINISTRATION

SCHEDULE OF INVESTMENT PORTFOLIO OF THE GOVERNMENT PURSUANT TO SECTION 36 (8) OF THE *FINANCIAL ADMINISTRATION ACT, 1981* AS AT MARCH 31, 1983—Continued

Temporary Investments	1983		1982	
	Book Value		Book Value	
	$	$	$	$
Obligations of or guaranteed by Canada:				
Government of Canada Treasury Bills		65,965,850		29,507,927
Obligations of or guaranteed by a Province:				
British Columbia Assessment Authority	950,000			
British Columbia Buildings Corporation	25,000,000		10,000,000	
British Columbia Development Corporation	56,340,782			
British Columbia Ferry Corporation	29,698,674			
British Columbia Harbours Board	6,000,000			
British Columbia Housing and Employment Development Financing Authority	1,064,162			
British Columbia Railway Company			2,000,000	
British Columbia Steamship Company (1975) Ltd.	3,800,000		3,300,000	
British Columbia Systems Corporation	2,687,064			
British Columbia Transit			20,000,000	
Province of Saskatchewan Treasury Bills			2,500,000	
		125,540,682		37,800,000
Obligations of or guaranteed by a savings institution:				
Canadian Imperial Bank of Commerce	394,106,727		146,422,031	
Royal Bank of Canada	464,021,108		888,256,175	
Bank of Montreal	338,304,964		356,520,777	
Toronto Dominion Bank	298,745,337		369,829,078	
Bank of Nova Scotia	57,119,640		333,818,011	
Bank of British Columbia	10,530,250		46,194,780	
Mercantile Bank of Canada	2,758,342		6,820,410	
Northland Bank	5,951,700		5,000,000	
Continental Bank of Canada	6,000,000		4,478,857	
Canadian Commercial Bank	14,827,000		4,000,000	
National Bank			71,752,300	
Roymor Limited			56,749,587	
First City Trust	10,000,000		5,000,000	
Crown Trust	6,910,652		10,000,000	
Royal Trust	58,757,244		26,072,630	
Yorkshire Trust	1,000,000		3,000,000	
Canada Permanent Trust	8,445,082			
Guaranty Trust	5,000,000		10,000,000	
National Trust	3,465,640		5,000,000	
Central and Eastern Trust	5,000,000		7,500,612	
Victoria and Grey Trust	20,484,300		1,005,499	
Royal Bank Mortgage	296,199,789			
Bank of British Columbia Mortgage	4,540,665			
Toronto Dominion Mortgage	79,664,592			
Nova Scotia Mortgage	29,718,290			
Commerce Mortgage Corporation	304,583,152			
Bank of Montreal Mortgage Corporation	48,427,408		4,191,350	
Mercantile Bank Mortgage	2,000,000			
Bank of Montreal Leasing	6,360,690			
Royal Trust Mortgage	13,000,000			
Vancouver City Credit Union	3,000,000			
British Columbia Central Credit Union	2,050,000			
Dai-Ichi Kangyo Bank Ltd.	12,216,715		11,754,800	
Barclays Bank of Canada	4,500,150		10,743,589	
Bank of America	9,292,150			
Citibank Canada	4,539,000		31,994,000	
Bank of Tokyo	10,000,000			
National Westminster of Canada	13,500,000		40,036,196	

TRUST FUNDS UNDER ADMINISTRATION

SCHEDULE OF INVESTMENT PORTFOLIO OF THE GOVERNMENT PURSUANT TO SECTION 36 (8) OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 AS AT MARCH 31, 1983—Continued

Temporary Investments—*Continued*	1983		1982	
	Book Value		Book Value	
	$	$	$	$
Mitsubishi Bank Canada			6,035,622	
Sumitomo Bank New York			14,548,032	
Hong Kong Bank of Canada			2,500,000	
Walter E. Heller Canada Ltd.			2,000,000	
		2,555,020,587		2,481,224,336
		2,746,527,119		2,548,532,263

Long-Term Investments	1983			1982
	Dates of Maturity	Par Value	Book Value	Book Value
		$	$	$
Obligations of or guaranteed by Canada:				
Government of Canada	1983–2002	458,172,750	343,539,979	89,730,530
Canadian National Railway				200,912
Export Development Corporation	1983	35,000,000	35,000,000	35,000,000
Federal Business Development Bank	1987–1988	40,000,000	39,930,012	20,000,000
		533,172,750	418,469,991	144,931,442
Obligations of or guaranteed by a Province:				
Province of British Columbia	1983–1988	157,047,745	155,209,424	182,396,540
British Columbia Hydro and Power Authority	1986–2011	2,682,494,971	2,624,387,078	2,644,007,612
British Columbia Railway Company	1984–2001	469,634,900	466,959,397	502,818,825
British Columbia Highways and Toll Authority				5,790,000
British Columbia Buildings Corporation	1984–2005	222,854,800	197,078,670	78,000,000
British Columbia School Districts Capital Financing Authority	1983–1996	150,577,468	141,500,824	121,218,755
British Columbia Regional Hospital Districts Capital Financing Authority	1983–2001	64,807,186	59,297,988	43,140,197
British Columbia Educational Institutions Capital Financing Authority	1989	1,025,000	1,025,000	1,025,000
British Columbia Regional Hospital Districts	1983–1992	2,633,272	2,599,071	3,206,297
British Columbia School Districts				889,018
British Columbia Improvement Districts	1983–2007	38,487,228	36,399,183	39,164,565
British Columbia Development Corporation	1986–1987	6,000,000	6,000,000	
British Columbia Housing and Employment Development Financing Authority	1986–1987	6,000,000	5,996,900	
Province of Ontario	1984–2010	79,001,517	76,967,078	72,028,111
Province of Quebec	1983–2005	151,048,000	145,614,439	68,840,730
Province of Saskatchewan	2001	26,310,000	26,013,883	30,539,009
Province of Nova Scotia	1984–2003	29,563,000	30,744,962	9,599,366
Province of New Brunswick	1985–2003	12,120,000	12,219,309	1,911,875
Province of Newfoundland	1987–2002	16,427,000	16,372,964	14,874,382
Province of Alberta	1984–1992	258,882	186,811	185,852
Province of Manitoba	1991–1999	21,043,000	20,907,709	274,760
Province of Prince Edward Island	1987–2003	2,818,000	3,147,785	718,375
		4,140,151,969	4,028,628,475	3,820,629,269
Losses deferred to future years[1]			5,510,205	
Amortization of discounts and premiums[1]			3,011,571	5,820,832
			4,037,150,251	3,826,450,101

TRUST FUNDS UNDER ADMINISTRATION

SCHEDULE OF INVESTMENT PORTFOLIO OF THE GOVERNMENT PURSUANT TO SECTION 36 (8) OF THE *FINANCIAL ADMINISTRATION ACT*, 1981 AS AT MARCH 31, 1983—Continued

	1983			1982
Long-Term Investments—*Continued*	Dates of Maturity	Par Value	Book Value	Book Value
		$	$	$
Obligations of or guaranteed by a savings institution:				
Canadian Commercial Bank	1985–1986	7,000,000	7,000,000	5,750,000
Canadian Imperial Bank of Commerce	1989	20,750,000	20,750,000	20,000,000
Royal Bank of Canada	1983–1984	27,000,000	27,212,700	1,000,000
Toronto Dominion Bank	1983	32,415,161	30,000,000	
Bank of Nova Scotia	1985	750,000	750,000	750,000
Bank of Montreal	1987–2000	6,400,000	5,864,960	5,864,960
First City Trust	1983	10,000,000	10,000,000	
Crown Trust	1983	150,000	150,000	
Workers' Compensation Employees Credit Union	1984–1985	400,000	400,000	400,000
First National Bank Chicago	1986	500,000	500,000	
Bancorp Teachers mortgage	2014	1,840,502	1,840,512	1,847,426
		107,205,663	104,468,172	35,612,386
Municipal Finance Authority of British Columbia	1983–2004	150,012,953	148,034,359	114,645,330
Commercial paper issued by a corporation incorporated under the laws of Canada or of a Province:				
Toronto Eaton Centre	2000	3,600,000	2,616,930	2,616,930
Total		4,934,143,335		
Fully paid common shares of a corporation incorporated under the laws of Canada or of a Province:		Number of Common Shares		
Canadian Pacific Railway		1,200	19,800	19,800
Imperial Oil		300	12,713	12,713
International Nickel		450	14,344	14,344
Bank of British Columbia		119,128	1,415,792	1,415,792
British Columbia Telephone Company		1,215,344	13,575,779	13,575,779
Increase in share value[1]			727,582	
			15,766,010	15,038,428
Total			4,726,505,713	4,139,294,617

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[1] The accounting policy for deferred losses, amortization of premiums and discounts and increases in share value is outlined in Note 1 on D 11.

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